

NEOLIBERALISM and IMPERIALISM

Dissecting the Dynamics of Global Oppression



Tatah Mentan

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Neoliberalism and Imperialism: Dissecting the Dynamics of Global Oppression

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List of Abbreviations and Acronyms

DDA - Department for Disarmament Affairs
DESA - Department of Economic and Social Affairs
DPA - Department of Political Affairs
DPKO - Department of Peacekeeping Operations
DOCO - UN Development Operations Coordination Office
DPI - Department of Public Information
ECLA-Economic Commission for Latin America
EOSG - Executive Office of the Secretary General
FAO - Food and Agricultural Organization
GATT-General Agreement on Tariffs and Trade
ILO - International Labor Organization
IMF - International Monetary Fund
IPE-International Political Economy
NATO-North Atlantic Treaty Organization
OCHA - Office for the Coordination of Humanitarian Affairs
OHCHR - U OSAA (Office of the Special Advisor on Africa)
OSAPG - Office of the Special Adviser for the Prevention of Genocide
PBSO - Peacebuilding Support Office
SSA-Sub-Saharan Africa
TCC-Transnational Capitalist Class
UNDP - UN Development Program
UNESCO - UN Educational, Scientific, and Cultural Organization
UNHABITAT - UN Center for Human Settlements
UNICEF - UN Children's Fund
UNHCHR- United Nations High Commissioner for Human Rights
UN WOMEN - UN Entity for Gender Equality and Women's Empowerment
UNHCR - UN High Commissioner for Refugees
UNEP - UN Environment Program
UNDEF - UN Democracy Fund
UNFPA - UN Population Fund
UNODC- UN office on Drugs and Crime
WEF-World Economic Forum
WFP - World Food Program
WHO - World Health Organization
World Bank

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Preface

The idea that a growing economy benefits all classes has a long history of acceptance. It has been embedded in political rhetoric for the past half-century, regardless of party. In fact, John F. Kennedy is credited with the saying, “A rising tide lifts all boats.” The theory—popularized as “trickle-down economics”—presumes that economic policies that help the wealthy eventually benefit everyone. It’s led to federal legislation reducing taxes on the wealthy and easing corporate regulation, as well as Supreme Court decisions increasing the legal rights of corporations, bringing them in near-parity with natural beings.

Despite expectations that the country as a whole would benefit from these measures, the results have been disappointing. Consequences have included a growing income disparity between the wealthiest members and the rest of society. It’s also led to an increase in national debt and significant corporate abuses of public trust, such as the manipulation of energy and securities markets. As a result, citizens and corporate leaders are rejecting the old paradigm and exploring a new model for capitalism.

Failures of Traditional Capitalism

The 1990s savings and loan failures, Enron’s manipulation of electricity prices in 2001, and the mortgage securities crisis in 2008 are major examples of the negative consequences of capitalism. In the view of many business and citizen leaders, corporate greed and uncontrolled capitalism have also had the following general negative effects.

1. Lack of Equality and Opportunity

The most public critic of the current capitalist system has been Pope Francis. In an apostolic exhortation issued November 26, 2013, he asserted that “today everything comes under the laws of competition and the survival of the fittest, where the powerful feed upon the powerless. As a consequence, masses of people find themselves excluded and marginalized: without work, without possibilities, without any means of escape.” The Pope goes on to say that the minority who do benefit “reject the right of states, charged with vigilance for the common good, to exercise any form of control. A new tyranny is thus born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules.” Businesses overtly resist the efforts made by governments – which have the responsibility of protecting the rights and interests of their citizens – to pass laws or regulate corporate activities. All this, even as the

wealthy benefit the most from publicly owned assets and exorbitant government contracts.

2. Worker Exploitation

According to a 2013 survey by the Public Religion Research Institution in partnership with the Brookings Institution, 54% of Americans think capitalism is working well. However, almost as many (45%) believe that not only is it failing, but that hard work and determination are no longer guarantees of success for the majority of people. The same survey indicated that 53% of Americans believe “one of the big problems in this country is that we don’t give everyone an equal chance in life.” Surprisingly, 39% of those polled felt differently: “It is not really that big a problem if some people have more of a chance in life than others.” This conflict is most apparent when looking at such issues as the minimum wage. Americans are almost equally split as to whether it should be increased from \$7.75 per hour, even though there is widespread agreement that it does not provide enough money to meet the basic needs for a great many American families.

3. Growing Disparity of Wealth and Income

Since the mid-1970s, the nation’s wealth and income have gone increasingly to the top 10% of citizens – dramatically so to the top one-hundredth of 1%. In 2012, the top 10% of families owned 74.4% of America’s wealth while the top 0.01% had an astounding 11.1%. The bottom 90% owned a meager 25.6% of the pie. There are approximately 78.8 million families in the U.S and they have a combined net worth of \$80.7 trillion. To put these percentages in perspective, on average, the total net worth of the less than 8,000 families in the top 0.01% is almost \$9 trillion, while the combined net worth of the almost 71 million remaining families is \$21 trillion. These gaps between wealthy and average Americans have concerned economists and politicians on both sides of the aisle, including the following:

- In his book “The Price of Inequality: How Today’s Divided Society Endangers Our Future,” Nobel laureate economist Joseph E. Stiglitz writes that “we are paying a high price for the inequality that is increasingly scarring our economy. Since those on the low end of income spend a greater proportion of their income than higher earners, the concentration of wealth reduces total expenditures, putting a brake on growth and promoting instability.”

- According to Jared Bernstein, senior fellow at the Center on Budget and Policy Procedures, high levels of income disparity encourage and preserve opportunity barriers, holding the majority back. Bernstein says that the effects are evident in the gap between parents’ investment in their children for tutoring, art, sports, and books – the gap in academic achievement standardized tests has

increased 40% in the last 30 years, and college attainment and admission into an applicant's university of choice is more likely for kids from wealthy families.

➤ A recent Standard & Poor's report links the income disparity with a slowdown in state tax revenue, since the wealthy manage to shield much of their income from taxes and spend a lower percentage of it. According to Gabriel Petek, S&P credit analyst, "Rising income is not just a social issue. It presents a very significant set of challenges for the policymakers."

French economist Thomas Piketty, who some have called "the most important thinker of his time" according to The Guardian, wrote the best-selling book "Capital in the Twenty-First Century" about the dynamics of capitalism and the increasing concentration of wealth in the hands of the very few. In simple terms, Piketty projects that the income disparity will continue to widen due to the growing share of national income going to the owners of capital—inherited wealth—and top executives of corporations who are beyond the control of shareholders. He also concludes any significant change in direction is unlikely since the holders of wealth, energized by Supreme Court decisions, will aggressively defend their positions.

4. Corporate Moral and Ethical Irresponsibility

The combination of deregulated markets, management insulation from shareholder control, and the emergence of "too big to fail" institutions have led to unbridled greed and excessive risk-taking. Huge, multinational corporations have severed allegiances or obligation to any country or citizens, being solely dedicated to maximizing profits for their shareholders. As a consequence, they engage in the following activities:

✓ **Wholesale Export of Critical Manufacturing Jobs.** These jobs are most often transferred to countries with minimal ecological, labor, or human rights laws.

✓ **Complicated Corporate Maneuvers to Avoid Taxes.** The unethical, possibly illegal combination of corporate changes in domicile, complex tax accounting, and active support of the world's tax havens is practically universal by large multinationals.

✓ **Excessive Participation in the Political Process.** Political action committees (PACs) can raise and spend unlimited sums of money to advocate for or against political candidates. As of October 14, 2014, 1,209 super-PACs had raised almost \$370 million and spent \$205 million. Corporations and their executive officers contribute millions of dollars through PACs to support candidates who promise to deliver laws and regulations favorable to their supporters.

Evidence of widespread corruption and self-serving tax evasion is worldwide, leading Pope Francis in his 2013 apostolic exhortation to condemn "the thirst for power and possession [that] knows no limits."

5. Ecological Disasters

Multinational corporations have treated the environment as a free resource—arable land, water, minerals, forests, fish, and so forth—without regard for long-term consequences. Many observers claim that global corporations have ravished the world, leaving residents of every nation to live with the consequences: dirty air, foul water, and pollution of every sort.

Globalization or neoliberal imperialism, even if it is sanitized and defined as “expansion of the free market”, has been a mechanism for greater accumulation on a world scale. Effective globalization requires an international capitalist class alliance along with institutions and ideologies both at the national and global level. The significant institutions in this regard are those of finance capital and equally important the military industrial complex. To protect the alliance, and when necessary to project power, military force is required and this gives rise to the state of permanent war.

Globalization has ushered in the era of neoliberal imperialism. Neoliberalism as capitalism and imperialism is a new form of corporatism based on the ideology of market fundamentalism, dominance of finance in the economy (and restoration of the political power of financial oligarchy) and cult of the rich (“greed is good”) instead of ideology based on racial or national superiority typical for classic corporatism. Like many religious doctrines it belongs to the class of Theological Voluntarism (with some pseudo mathematical voodoo attached as a justification; actually even this is not new).

In fact, neoliberalism is a unique social system that mobilized the power of greed (in a very destructive way for the society) while most previous social systems tried to suppress it. Usury laws are an example which were revoked under neoliberalism (payday loans is plain vanilla usury; credit card debt is close). The only criteria of any activity is economic success (which closely relates neoliberalism to Marxism, which similarly viewed as economics as primary force of progress of human civilization and social “superstructure” as secondary element in human societies which automatically reflects the economic base). As an economic doctrine neoliberalism repudiates Keynesian welfare state economics and promoted the “law of jungle” principles using bought ideologues like Milton Friedman and earlier by the dubious fighter for economic freedom Friedrich von Hayek. In other words it favor of “dog eats dog” forms of competition which were the hallmark of early capitalism (Austrian aristocrat Friedrich von Hayek probably would have a stroke if he saw the current “dog eats dog” implementation of his ideas).

Commonly under the term “neoliberalism” we understand a set of ideas such as a radically free market, maximized competition and free trade achieved through economic de-regulation, elimination of tariffs, a range of monetary and social policies favorable to business and indifferent toward poverty, adopting

explicit policies redistribution of wealth up via casino properties of stock market (which is a central institution of neoliberal order), cultural decimation, acceleration of Earth resource depletion and environmental destruction due to the “race to the bottom” in increasing profits by any means possible. But it is more than that. Like Marxism and most *world religions* neoliberalism provides humans with what is called “neoliberal rationality” which organizes the world view of adherents to neoliberalism. It reaches beyond the market. *Neoliberal rationality* defines human beings as market actors (*homo economicus*).

All dimensions of human life are cast in terms of market relations. Actions and policies are reduced to the bare question of profitability. For example under neoliberalism universities became service provider with the primary goal of profitability not enhancing the society knowledge and preparing educated citizens. It becomes a narrow, overspecialized preparation for entering the “job market”. and explicitly design to produced narrow minded individuals, who never question the social system they live in and who view themselves as entrepreneurs (privileged set of market actors, above regular employees) and who know only Excel calculations of profitability, the rules of competition and are ready to play it hard to get themselves a space under the sun in dog eats dog game.

As a social system neoliberalism is a derivative, a new form of classic corporatism and involves complete dominance of large corporations over government, including but not limited to conversion of goals of multinationals into state foreign policy goals (achievable by wars, if other means fail). The usurpation of large multinationals of political life of the country is achieved mainly by economic means, but assassinations of “non-conformant” political leaders are not excluded as “deep state“ is a part of neoliberal power structure and has capabilities of physically eliminating opponents. Still the main form is by buying politicians and key intellectuals as well as controlling all major political appointments.

Debt slavery is the standard, preferred tool of neoliberal control both over individuals and countries. One of the key strategy of subduing the countries by bringing to power neoliberal elite (fifth column of globalization) as well as enforcing on the country large unplayable debt. *Essentially, converting such a country into debt slave rules by vassal governments, which oversee the transfer of funds to metropolia. This global corporate model replaces the direct occupation model used by British and other empires.*

These developments have rearranged the superstructure and forced capitalist states to develop new imperialistic methods in maintaining a societal equilibrium that is constantly being pushed to the brink of unrest at the hands of a capitalist system that breeds concentrations in wealth and power, while simultaneously driving the working-class and peasant majority towards a state

of functional serfdom. Globalization as imperialism needs an infrastructure on a global scale. The World Trade Organization (WTO) is one component of that infrastructure charged with making sure that globalization and therefore, accumulation process proceeds uninterrupted. The WTO formalized imperialism of trade engineered by the old “historical bloc” through standardization.

The denationalization of the nation-states’ polity through incorporation of the nation-states’ participation in the process of accumulation legitimizes the process and presents it as voluntary participation.

While in the 1990s it appeared that militarism was no longer as overt as in the 1980s, in reality the military industrial complex continued to exert influence on a global scale. The militarism of the 1990s was relatively subdued but still alive and well in an ostensibly “...demilitarized world in which business activity is primary and political power has no other task than the protection of the world free-trading system” (Lorimer, 1997:13). Throughout the 1990s the U.S. military buildup continued as it did in the 1980s and as does now serving as a mechanism for greater globalization.

Aided by the military, the push for greater integration of the world capitalist system with a touch of colonialism and an unprecedented degree of practice of Social Imperialism continues in its most perverse form. Increases in state expenditures on the military mainly financed through borrowing, has created the need for an alternative means of social control. It is not accidental that we have seen a growing reliance on the culture of fear as a mechanism to mobilize public opinion in favor of militarism abroad. The psychology of living in fear on the part of the public on the one hand and dependence on fear for the purposes of effective social imperialism on the other have worked hand in hand to replace the fear of communism with the fear of radical Islamic jihadists.

The militarization of specific society and of the planet requires an effective propaganda. Fred J. Cook (1964:100), observing the late 1950s and early 60s wrote “The crutch of the Warfare State is propaganda. We must be taught to fear and to hate or we will not agree to regiment our lives, to bear the enormous burdens of ever heavier taxation to pay for ever more costly military hardware....at the expense of domestic programs...”. This problem has become much more severe of late and matched only by the level of public ignorance in the US. Thus, a free hand in the allocation of public funds to military and military related activities and the exhaustion of credit limits as the need to borrow increases with every annual budget preparation and military action abroad.

Yet, government borrowing continues to be one of the mechanisms of redistribution of income upwards. And as long as the general public remains ignorant of the facts and by extension there are no incentives for the political

establishment to change course, the long run damage to the socio-economic and the political structure will be irreversible. As James Fallows (2005) points out the current imperial wars are fought for so called “freedom” and “security” are producing results such as deficit financing, lowering the taxes on the rich, while at the same time “The deficit helps him more easily slash domestic social programs” (Cited in Street, 2005).

In the post WWII period in general and the post 911 era in particular, the culture of fear has been effectively incorporated into the toolbox of jingoism and propaganda. The conditioned to fear Americans were “longing” in the 1990s for “clear-cut enemy, an indisputable target for moral outrage” (Stearn, 2006:212). “We have seen Americans increasingly take not only data (real or imagined”, but also outright emotional cues from media promptings, using presentations for guidance not only in public fear but also public grief... Media manipulation has been heightened, of course, by irresponsible political posturing. It was no accident that the most fear-soaked television channel after September 11, FOX News, was also closest to the Bush Administration...media and politicians manipulating and Americans sheepishly responding.... (Stearn, 2006:210).

Fear dampens the spirit, demoralizes, belittles personality and blocks rationality. The proponents of realpolitik are not as naive as they appear, they have as their brethren in economics and indeed on all fields dominated by the “organic” intellectuals, have a significant role to play in the overall imperial expansion. In fact some (such as Fernando Teson, 2005) go as far as suggesting that the United States has a duty to be a “humanitarian imperialist” by crushing regimes such as that of former Iraqi dictator Saddam Hussein, and the ideologues from the same genre of “organic intellectuals” have revisited the Vietnam and similar imperial Wars just to present them as legitimate and “humanitarian” interventions. From the point of view of domestic classes, the demons of the “otherness”, the unknown and the most troubling of all the shifting language in describing the American role in the World are viewed as sufficient reasons to cheer what the rest of the World sees as oppressively dangerous and costly militarism.

Although social welfare expenditures continue to be a legitimacy generating mechanism, increasingly, the fear of the “enemy” as perpetuated by the sensationalist warmongering corporate media (just as in the nineteenth century jingoism of the British media) is a critical factor in establishing and implementing social imperialism. The difference was that the British jingoism defended imperialism outright with occasional references of the “civilizing mission” of the “infallible” and “superior” Anglo-Saxon race. The contemporary jingoism of the American media uses the rubric freedom and defense of “democracy”, etc. etc. To subdue popular discontent, the neoliberal

empire resorts to a great degree of actual oppressive use of military power abroad and police action and surveillance at home.

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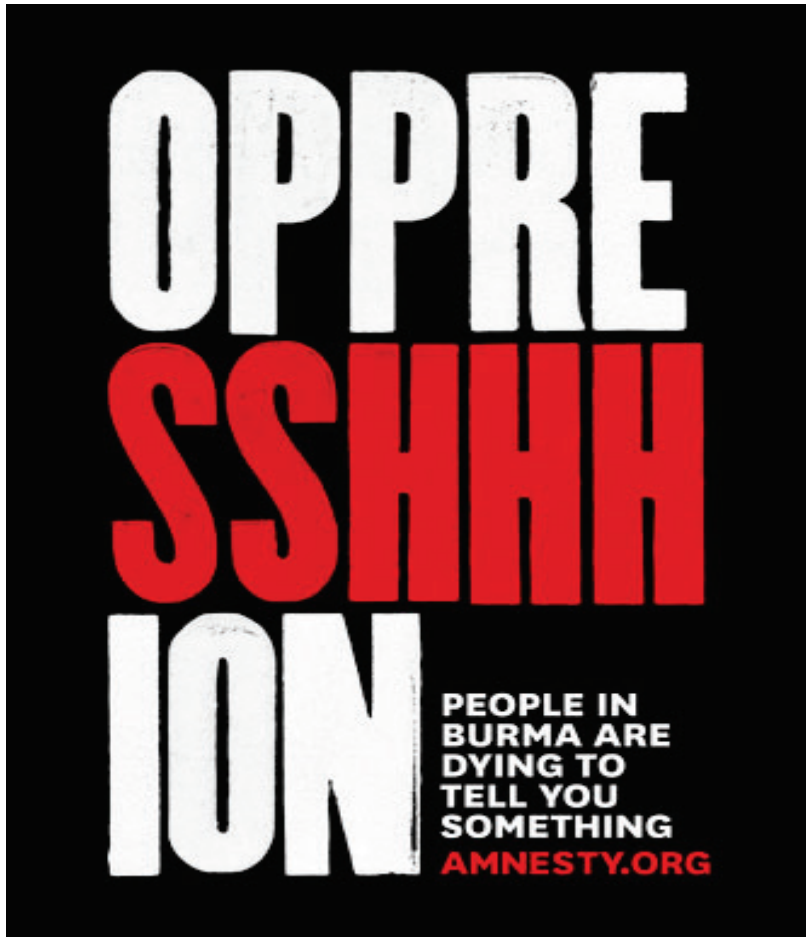
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Introduction: The Dynamics of Global Oppression



Overview

Oppressive neoliberal imperialism is the ideology of corporate domination and the plunder of finance capital. To preserve itself domestically, the contemporary global system has created both the Mass Black Incarceration State and the National Security State. Internationally, “terrorism, ‘humanitarian intervention,’ and economic sabotage are the primary means of maintaining oppressive US hegemony of the neo-liberal variety whitewashed, distorted, and packaged to fit the needs of the imperialist empire. The interplay of these

dynamics necessitates that the discourse on equity be positioned outside of the context of bourgeois success and aspiration. Rather, it should be located within internationalized spaces where workers can openly speak about their conditions and reformulate the capacities in which humanity can dismantle patriarchal power and begin cultivating humanizing identities that can affirm and encourage equitable existence, their talents, and dreams of self-actualization. The critical step in this direction is taking the time to reflect and deconstruct the extent to which people's daily motivations under imperialist capitalist patriarchy are subverted and affected by oppressive power. People must learn how to reclaim their agency in the world from a thoroughly commoditized heteronormative culture that intends to keep mankind in an eternally deprived state so that people feel compelled to consume and aspire to become a fetishized form of themselves. This task demands that people assign primacy to radical self-love and begin the work of building themselves rather than working to become "worthy" of capital in the eyes of an unforgiving, rapacious, and apathetic global ruling class.

Introduction

The problems of this world appear to us, at first, like a huge pile of broken things; War, poverty, environmental destruction, and of course racism, sexism, queerphobia and ableism to name a few. The view that these forms of strife are not independent but have a common essence is what I will defend in this book.

A useful way to sum this up might be to contrast three models. The first model, the Classical Marxist model, suggests that the class divide is society's most fundamental divide. From this arise other divides, sexism, queerphobia, racism and the like. The second model, the model we have been critiquing, suggests that society is defined by a plurality of divides, which while they may be mutually reinforcing, are independent. The third model, that we are defending, is similar to the first model in that it suggests that class is society's fundamental divide, but also similar to the second model in that it doesn't see gender, race and sexuality as the mere effects of an underlying class contradiction. Rather it suggests that there is only one social contradiction. The contradiction between the producers who labor and the rulers who control capital. Call this contradiction what you like, but taken as a state of being, rather than a process of struggle, we call it capitalism.

Marxists are sometimes accused of being dismissive of capitalist oppression, preferring to emphasize the importance of class. One of the more frequent accusations against Marxism, however, is that it is rigidly "economistic" and that its emphasis on the importance of class in society means it dismisses sometimes difficult questions relating to oppression. This is not the

case and any investigation into the history of Marxism will reveal examples of Marxists addressing different forms of oppression - national, racial and sexual among others - not only theoretically but in practice. After all, at its heart Marxism is about human liberation in a society where “the free development of each is the condition for the free development of all”, as the Communist Manifesto put it.

So what is oppression? Firstly, oppression is not depression - it's not a psychological state. You don't need to consciously experience your oppression to be oppressed. Women are oppressed under capitalism, but that doesn't mean there aren't examples of women who embrace their role of housewife and others who “choose” lap dancing as a career. Of course, depression and many other psychological or physical illnesses may well be linked to oppression but it is important not to equate the two. Oppression is not a term that simply describes a relationship where someone feels dominated or controlled by another individual. To believe that could lead us to thinking blacks are able to oppress whites, or a man can be oppressed by his partner.

We also need to make it clear that oppression isn't the same as exploitation. Some activists talk about class oppression as simply another form of oppression, running in parallel with sex and racial oppression. But while we might talk generally about the working class being oppressed by the ruling class, this doesn't reveal the roots of the relationship between the classes that lies at the heart of capitalism. The key to that relationship is exploitation, that is, the extraction of surplus value from workers and the subsequent alienation of workers from their labor. So for Marxists oppression is not a state of mind or feeling of being oppressed, dominated or controlled by an individual or group of people. Neither is it simply “natural” that some people are racist, sexist or homophobic and so on.

History of Oppression

Marx recognized that oppression, far from being a natural and thus a permanent feature of human society, is a historical invention. True, the oppression of certain groups of people in society existed before capitalism. For example, Marx's collaborator Engels traced the origins of women's oppression to the formation of the family with the rise of class society. Despite the many changes to the family over the centuries, it persists to this day because it plays a crucial role in the continuation of the system, by bearing the brunt of the cost for caring for present and past generations of workers and the rearing of the next - all at our own expense. So, despite the fact that the majority of women in this country who can work do work, their role in the family means they still accept lower wages and fewer career opportunities.

Other forms of oppression have arisen with the emergence of capitalism. So racism was created to justify the slave trade and imperialism and is perpetuated by the need to keep workers divided. Towards the end of the 19th century a new sexual identity, the “homosexual”, was invented and portrayed as a threat to society and the maintenance of the family. What is common to all forms of oppression, however, is that they have a material basis and arise from the structures and dynamics of class society. Oppression serves to reinforce the interests of capitalism.

But while Marx understood that some forms of oppression existed before capitalism, he also grasped the way the nature of oppression under capitalism was different to what had gone before.

Under feudalism or slavery the mass of the population were either slaves, the property of masters, or serfs tied to particular pieces of land and bound to a lord. Such societies were rigidly hierarchical and were based on the idea that everyone had their “rightful place.” Notions of freedom for those other than the rulers in society were rare and subordination in society was widely accepted. When new societies emerge so too do new ideas. The bourgeois revolutions that overthrew feudalism and paved the way for capitalism did so under the banner of “liberty, equality and fraternity”, as the French Revolution put it. This was a huge step forward for humanity compared to previous societies.

Under capitalism production takes the form of creating commodities to be sold in the market. Everything becomes a commodity, including our ability to labor. Workers are no longer tied to individual lords and masters. The new ideas of individual freedom and equality under capitalism reflect this new way of organizing production. But in reality freedom for the vast majority of the human race is simply this ability to sell their labor power to one or another capitalist (provided, of course, that there is sufficient demand). Capitalism holds out the promise of liberation, but then denies it to the majority of society.

Capitalist production increasingly comes to depend on the mass cooperation of workers, but as capitalism brings workers together so too it divides them from each other. Workers are forced to continually compete against each other—for jobs, overtime, housing, even access to decent healthcare provision. Oppression helps to create and reinforce divisions between workers. For example, the mass media and mainstream government encourage us to see immigrant workers as inferior to native-born workers. While it may be acceptable for immigrants to participate in our workforce when there are plenty of jobs, as soon as jobs become more scarce, immigrants are portrayed as less deserving of work, and therefore a threat.

Alienation

These divisions are underpinned by the alienation of workers under capitalism from control over their labor. This results in a sense of powerlessness, especially when workers do not fight back collectively. In this situation, some workers may gain a feeling of empowerment by looking down on others and feeling superior. So a white person may look down on a black person or a man on a woman. And it is not just non-oppressed groups who feel superior to oppressed groups - it cuts across oppressed groups too. For example, a “second-generation immigrant” can feel superior to a recently arrived immigrant, or a gay man can feel superior to a disabled person. As a result, some people argue that sections of workers have an interest in sustaining oppression, rather than seeing that all oppression works to allow the continuation of capitalism by providing it with material benefits.

So we hear arguments that men benefit from women’s oppression, or that all whites benefit from the oppression of black people. While it’s true that non-oppressed groups do not suffer in the way that oppressed people may, it is wrong to think they therefore have some interest in the continuation of oppression. For example, the fact that women in full-time work still earn around 15 percent less than their male counterparts does not allow men’s wages to increase further - it simply means it’s easier for the bosses to keep all wages down. The best solution to this would be for male and female workers to fight together for decent wages for all. This may be easier said than done for a woman at work being sexually harassed by a male colleague, however. After all, she experiences her oppression through his sexist comments and gestures. But while he may be the immediate culprit, the causes of oppression run much deeper - they are rooted in capitalism. Socialists have to fight all forms of oppression through the struggle for class unity.

Alienation and distorted notions of freedom and equality also mean that people are not necessarily conscious of their oppression and can lead them to actively embrace some of the worst aspects of it. With the emphasis under capitalism on the individual rather than the social whole, we are made to feel that the worst symptoms of our oppression must be through some fault of our own. Here capitalism steps in to sell us the very “solutions” we need. So we have a whole industry of self-help books in the UK which is estimated to have earned publishers some £60 million in the past five years. In a similar vein, the answer to women not feeling “sexy enough” is to attend pole dancing “fitness classes”, or undergo cosmetic surgery. There are even skin-lightening techniques for black people.

A divisive system

Capitalism works quite hard to ensure we keep believing our main enemy is some other group of ordinary people in society rather than the nature of our distorted relationships under capitalist society. The mass media have to continuously pump out horrific anti-immigrant, anti-traveller, anti-single mum propaganda. Capitalism maintains its hold by dividing those workers who collectively could overturn it, and ideology plays a significant role. And this means it has to work to undermine the reality of our lives that actually brings us into constant contact and cooperation with all types of people, whether Muslim, gay, disabled and so on.

While many non-Marxists fight with us against oppression, there is often disagreement about our emphasis on the working class as the key agent of change. After all, oppression affects all classes, not just the working class. This means some people believe that the oppressed group itself is the key to overcoming its own oppression. At a recent demonstration at Cambridge University over the visit of former IMF chief Dominique Strauss-Kahn, one of the chants was “The women united will never be defeated.” It’s not hard to see why this might seem like common sense to some; after all, every woman can be a victim of sexual assault. But which women are we uniting with? Christine Lagarde, Strauss-Kahn’s replacement, is central to the imposition of draconian austerity measures across Europe, driving the living standards of millions of women and men down - something that in turn will increase the pressures on people’s lives and place more women at the risk of violence.

It’s true that oppression doesn’t simply affect the working class. Homophobia, sexism and racism affect people of all classes, and a ruling class woman can be oppressed as a woman just as a working class woman is. But the difference is that wealth and power help mitigate the worst effects of the oppression—for example, rich women can employ nannies and cleaners and they are more likely to have the material means to escape domestic violence.

The emphasis revolutionaries place on the question of class, therefore, is not about brushing aside the issue of oppression. Socialists will always defend the rights of oppressed groups to self-organise. Instead it flows from an understanding that the real division in society that causes our oppression and alienation is not our gender, our sexual orientation or our skin color, but class. The role of revolutionary socialists, therefore, is always to seek to build maximum unity across the working class. We understand there is no automatic unity of the oppressed, and that it is our role to expose how the racism, sexism, homophobia and so on of the system divide us and make us weaker.

While we fight for and welcome changes in the law which extend or protect the rights of discriminated groups, and we understand the importance of

education to undermine prejudice, it has always been during periods of class upheaval that leaps forward have been taken in the fight against oppression, for example in the ferment of the late 1960s, where class struggle was also accompanied by a rise in the struggle for women's, black and gay rights, and consequently real gains were made.

More recently, in Egypt, women have found the strength to stand up against the most deplorable acts of sexual intimidation and violence by the military in defense of the revolution they see as theirs. However, in terms of the fight against oppression, nothing can quite match the achievements of the Russian Revolution of October 1917, where among many others, the right to same-sex marriage, abortion on demand and attempts to socialize domestic chores were introduced. This makes the 'Tories' talk of concessions to gay marriage pale into insignificance. The changing patterns of capitalist oppression intensify as the mode of production metamorphoses into contemporary neoliberalism. Neoliberalism is "the ideology of corporate domination and the plunder of finance capital." To preserve itself domestically, the modern system has created both the Mass Black Incarceration State and the National Security State. Internationally, "terrorism, 'humanitarian intervention,' and economic sabotage are the primary means of maintaining US hegemony of the neo-liberal variety."

Dissecting Neoliberalism

The term 'neoliberalism' has become increasingly familiar over recent years. The term was relatively unheard-of until the 1990s, but was then adopted principally by the critics of a perceived free market orthodoxy, which was spreading around the world under the auspices of the 'Washington Consensus'. The 'anti-globalization movement', which rose to prominence with the 1999 Seattle protests against the World Trade Organization, further advanced the pejorative sense of neoliberalism as a form of market fundamentalism, imposed upon developing nations by the United States government and multilateral institutions. The assumption underlying this account of neoliberalism was typically that it arose with the elections of 'new right' political leaders, Margaret Thatcher and Ronald Reagan in particular, in the late 1970s and early '80s. But there was relatively little scholarly work done at this time on the longer history of neoliberal thought preceding that political shift.

The beginning of the global financial crisis in the summer of 2007 drew fresh attention to the meaning and history of neoliberalism, while also highlighting the priority that neoliberal policy accords to financial markets and financial institutions. The fact that this crisis emanated from an apparent centre and driver of neoliberalism, namely Wall Street, shifted the focus away from

the neo-colonial, globalizing aspects of neoliberal reform, towards the question of neoliberalism's core rationalities and genealogy. Partly for this reason, no doubt, a wave of new scholarly work appeared, which paid far closer attention to the longer history of neoliberal thought, as far back as the 1920s. This includes work on think tanks, such as the Mont Pelerin Society, and academic traditions, such as the Chicago School of economics.

In an effort to get away from the simply pejorative use of the term neoliberalism, which can be attached indiscriminately to various forms of anti-democratic or pro-corporate power, the more historicist approach to the concept highlights its fluidity and contingent development. However, this approach also risks lapsing into pure historical description, without critique or an account of how ideas translate into policies and strategies. Others apply a more sociological and critical method, which aims to examine which aspects of neoliberalism are at work amongst elites and governments today. This poses the question of precisely how much of neoliberalism has survived the global financial crisis, and through what means this survival has been achieved. Definitions of neoliberalism across these literatures are various. But they tend to share four things:

1. Victorian liberalism is viewed as an inspiration for neoliberalism, but not a model. Neoliberalism is an inventive, constructivist, modernizing force, which aims to produce a new social and political model, and not to recover an old one. Neoliberalism is not a conservative or nostalgic project.

2. Following this, neoliberal policy targets institutions and activities which lie outside of the market, such as universities, households, public administrations and trade unions. This may be so as to bring them inside the market, through acts of privatization; or to reinvent them in a 'market-like' way; or simply to neutralize or disband them.

3. To do this, the state must be an active force, and cannot simply rely on 'market forces'. This is where the distinction from Victorian liberalism is greatest. Neoliberal states are required to produce and reproduce the rules of institutions and individual conduct, in ways that accord with a certain ethical and political vision.

4. This ethical and political vision is dominated by an idea of competitive activity, that is, the production of inequality. Competition and inequality are valued positively under neoliberalism, as a non-socialist principle for society in general, through which value and scientific knowledge can best be pursued.

This bibliographic essay focuses on texts drawn from sociology, history of economics and more historical or cultural traditions of political economy, to look at the ideas, rationalities and policies through which neoliberalism is constructed and sustained. It does not address the political-economic question of how neoliberal economies have actually performed empirically.

Pioneers of neoliberal thought

The origins of neoliberalism can be traced back to the years preceding the Great Depression, and to the writings of Ludwig von Mises criticizing the rationality of socialism (Mirowski, P. & Plehwe, D. (eds.), 2009). This work, which catalyzed the ‘socialist calculation debate’ of the 1920s and ‘30s, and to which Friedrich von Hayek was also a contributor, involved a renewal of the case for economic liberalism. Liberalism as exemplified by Victorian *laissez-faire* was perceived to have peaked around 1870, but been in decline ever since, with the rise of corporations, trade unions, social policies, regulation and state socialism. The task faced by Mises, Hayek and those that supported them was to re-imagine economic liberalism in ways that either accommodated these new developments or could effectively rebuff them.

The 1930s exacerbated perceived anti-liberal trends, with the appearance of protectionism, macroeconomics, the New Deal in the United States and totalitarianism in Europe. These developments heightened the anxiety of liberals in these countries, who set about reinventing the argument for the price system of the market, in a similar spirit to how Mises had done. In 1938, the French philosopher Louis Rougier organized the Colloque Walter Lipmann in Paris, in honour of the American journalist Lipmann who was a vocal critic of the New Deal (Phillips-Fein, K., 2009). This occasion is thought to be the first time when the term ‘neoliberalism’ was used.

During and after World War Two, the shape of neoliberal thought and advocacy would become clearer. 1944 saw the publication of Hayek’s bestseller, *The Road to Serfdom*, which served as a popular introduction to neoliberal ideas for decades. In 1947, Hayek founded the Mont Pelerin Society, as a think tank and network for liberal intellectuals from around the world. Think tanks would go on to serve as a crucial conduit between neoliberal thinkers and policy-makers. The post-War period saw a growing split between a European strand of neoliberalism (or ‘ordoliberalism’) and the American strand.

Ordoliberalism and the ‘social market’

Up until the 1950s, many neoliberal thinkers assumed that large elements of socialism or at least social democracy were inevitable and necessary. The task, therefore, was to find a space for the free market alongside institutions of social security and strong rule of law. In Germany, this position was advanced by the school of Ordoliberalism (Bonefeld, 2012), which had emerged in Freiburg in the 1930s, under the leadership of Walter Eucken and around the journal *Ordo*. The ordoliberals were principally lawyers and liberal philosophers, who subscribed to a neo-Kantian epistemology, and believed that

law should be used to impose formal ideas upon society. The idea of competition, as manifest in the free market, was viewed as a guarantor of political rights, but could not be safeguarded by the market alone. The state was therefore necessary to enforce a competitive order, through active and normative anti-trust enforcement. This legally-mandated market was entirely compatible with strong institutions of social security and public provision, producing what was known as the ‘social market’.

Hayek was initially very sympathetic to the ordoliberal position. Eucken and his colleagues were influential in designing the reconstructed German economy in the late 1940s. The inclusion of strong antitrust provisions in the 1949 German constitution and the 1957 Treaty of Rome (forming the European Community) are viewed partly as ordoliberal achievements. The institutions of neoliberal capitalism, while promoting an expanded role in the economy for “market forces” (read “financial oligarchy”) simultaneously transform labor relations. The “market” under neoliberalism certainly no longer refers to competition as a form of the production and distribution goods and services.

Instead, it means something more along the lines of international financial monopolies protected by collusion between captured vassal state institutions (including neoliberal fifth column domination in the all major branches of government, especially executive and legislative branches, educational institutions and media) and multinationals, which pay money to sustain this social order. The term “Free markets” under neoliberalism means letting rich people do what they want and neutralizing any government interference on this path, not promoting efficient allocation of resources through competition and the price mechanism. The core of the fifth column are local oligarchs and so called “Chicago boys” —sons and daughters of local elite who are trained for and indoctrinated for this purpose in Western universities.

Under neoliberalism labor relations assumes the form of full domination of labor by capitalists under the disguise of “labor market” smokescreen which tries to atomize workers and deprive them of any solidarity actions. Unions are officially suppressed and large part of middle class is brainwashed to hate using set of propaganda stories about unions corruption, welfare quinsy, lack of competitiveness in unionized industries (with Detroit as a prime story), etc. In this sense crushing by Reagan of the strike of air controllers was one of the first manifestation of this dominance. Workers again are downgraded to the role of debt slaves, who should be glad to get subsistence wages. And, for example, wages in Wal-Mart are really on subsistence level, no question about it.

Neoliberalism in action

Neoliberalism cultivates a set of complex myths. Those myths via indoctrination became the way of thinking of most people in neoliberal societies. That's an example of amazing power of brainwashing for preservation of particular social order; the trait the neoliberalism also shares with Marxism (implemented as Bolshevism in the USSR and other Eastern bloc countries). But like was the case with the USSR, there is a danger of shocks that can kill those myths. If we agree with that hypothesis, then, simplifying, the longevity of neoliberal myths depends on the how long the role of the USA as the world hegemon will last and how long "cheap oil" regime will last.

For example the myth that neoliberalism produces poverty reduction and improve social wellbeing for all has become an alibi for the dismantling of the welfare state and along with it the dismantling of social rights of workers, on the one hand, and to the channeling of state coffers into private interests to the benefit of banks, financial institutions, and private business, on the other. This myth came under attack after 2008 crisis. Now most of the people see that neoliberal policies of wealth redistribution are shoveling most of the wealth gains into the pockets of a few rich plutocrats, As such they are incompatible with economic growth and reduction of poverty. Growing income inequality is the main cause of excess saving and, hence, secular stagnation. But as a whole set of neoliberal myths proved to be pretty resilient; the same can be said about gradual process of eroding Marxist myths after 1945. It took almost 50 years (and rise of neoliberalism) to be abandoned by most of the population of the USSR and Eastern Europe after which those societies became "house of cards" and were successfully toppled by bribing part of the elite by Reagan administration via color revolution mechanisms. But it was the USSR elite (and first of all the elite of KGB), that first changed sides and let it happen.

While completely based on deception and leading to impoverishment of lower 80% of population and shrinking of middle class, neoliberalism (as of 2015) still remains a powerful, dominant global ideology. Or more correctly *a new secular religion* (there is nothing scientific in neoliberal doctrine and very little in neoclassical economics, which like in case of Marxism serves as the cornerstone of his ideology). Since early 80th it became the dominant ideology in the world, which defeated and displaced both communism and social-democracy models.

It is important to stress that it is probably the first worldwide ideology based on deception in a sense that it pretends to provide benefits to all nations while in reality for all nations outside "first class nations" (G7 and a few others industrialized nations) it enforces neocolonial model of economic relations. It also operates with pseudoscientific concepts like "free market" that have tremendous propaganda value, serving as an opening door for neoliberalism

into minds on many people. To disperse the smoke of this propaganda proved to be not those easy tasks, as it became self-sustainable providing wealth to Wall Street which trickle down small part of it to corrupt MSM. “Free market” propaganda even managed to survive the crash of neoliberal doctrine in 2008.

With historical hindsight, the crisis of Keynesian macroeconomics (occasioned by the rise of ‘stagflation’ in the early 1970s) and of Fordist production (symptomized by declining productivity growth and profitability) created an opportunity for a new paradigm of economic policy-making. This was initially exploited in the United States and United Kingdom, before policies were exported internationally via multilateral institutions and economic experts. Prior to this breakthrough, the Chicago School had already shaped the policy regime of Pinochet in Chile, thanks to the training of Chilean economists in Chicago and the advice provided by Friedman to the government.

Marxist analyses of applied neoliberalism view it as the mobilization of the state, so as to restore the rate of profit (Harvey, 2005). To this end, the neoliberal state targets inflation through deflationary, monetarist policies, and targets trade union power through legislation, police power and privatization. The effect of this is far greater returns to capital, and lower returns to labor, resulting in dramatic increases in inequality from the 1980s onwards. With declining investment opportunities following the crisis of Fordist-Keynesianism, the neoliberal state discovers non-productive paths to private profit, in households, the public sector and financial sector.

Analyses that are more influenced by post-structuralism, by Foucault (2008) in particular, look at neoliberalism more as an attempt to remake social and personal life in its entirety, around an ideal of enterprise and performance. Here, an ethos of competitiveness is seen as permeating culture, education, personal relations and orientation to the self, in ways that render inequality a fundamental indicator of ethical worth or desire. For many such theorists, economists themselves are viewed as political actors, who extend the limits of calculability. The state remains a central actor, according to this perspective, in forcing institutions to reinvent themselves and measure themselves according to this vision of agency. Distinctive neoliberal policies are those which encourage individuals, communities, students and regions to exert themselves competitively, and produce ‘scores’ of who is winning and losing.

A common theme between the Marxist and the post-structuralist accounts of neoliberalism is the rising power and authority of corporate and quasi-corporate actors and experts in public life. During the 1990s, the sense that social life was increasingly regulated by non-state intermediaries or private firms led to increased awareness of ‘governance’, ‘governmentality’ and risk as techniques for managing neoliberal or ‘advanced liberal’ societies in a calculated fashion. Arguably it is the managerial freedom of corporate and quasi-corporate

actors which is maximized under applied neoliberalism, and not markets as such.

Neo-Liberal Ideology: Rooted in Capitalism and White Supremacy

Neo-liberalism is rooted in the historical development of capitalism in the Western Hemisphere. During the colonial period, English settlers arrived on the shores of what was called “Turtle Island” (North America) by its original inhabitants with plans of developing a system of capitalist accumulation. After driving indigenous peoples from their land, settler planters utilized European and African servant-labor on mono-cultural tobacco farms to extract profit for the English Crown. Competition in the world tobacco market lowered prices and created a crisis of overproduction that moved capitalist planters to expropriate small tobacco farmers and extend the labor time of bondservants. The “proletarianization” of African, Irish, and other European laborers created servant class unity against the interests of the plantation ruling class.

In the last few decades of the 1600's, numerous rebellions took place in the tobacco dependent Southern colonies. The most famous was Bacon's Rebellion. Bacon was an unsavory advocate of indigenous extermination but did lead almost a thousand servants and farmers of all classes to overthrow the governor. Many who took part in the rebellion did so out of resistance to the deteriorating conditions of bond-laborers in the colony. The Governor of Virginia responded by creating a system of “white” privileges for European laborers and a system of hereditary bond labor (chattel slavery) for African laborers. Virginia and the North American colonies became deeply dependent on highly profitable African slave trade to increase the profits of merchants and planters alike.

Thus, the white race was born to save capitalism from ruin. Capitalism and racism developed together to fit the interests of the colonial ruling class. White supremacy provided a powerful buffer of protection for the capitalists from super-exploited Black people and exploited whites. The so-called “American Revolution” at the end of the 18th century was declared in response to bourgeois fear that the Crown would terminate the highly profitable system of slavery. If one reads the anthem of the war, the “Star Spangled Banner,” the fourth stanza reads:

“Their blood has washed out their foul footsteps' pollution. No refuge could save the hireling and slave From the terror of flight or the gloom of the grave . . .”

According to Gerald Horne, the colonial bourgeoisie was most pre-occupied with the preservation of white supremacy. The Star Spangled Banner

proves that there was deep contempt white racist contempt for African slaves that fought for the British Crown. The Crown was viewed by slave owners like George Washington as inciting a rebellion against the interests of the decadent institution of slavery. The principles of capitalism and racism that guided the fight for the independence of the slave owning class from the British are the roots of neo-liberalism. It is important to note that each change in US capitalist development that brought neo-liberalism into existence was precipitated by a crisis in the system.

After each crisis, US capitalism reformed itself to expand under new historical conditions. When US monopoly capital rapidly consolidated after the Civil War, the US experienced an industrial boom and settler expansion both in the West and South of the US settler state. The doctrine of “Manifest Destiny” expanded US colonial-capitalism into Western North America and South America. Black life struggled victoriously to free itself from the chains of slavery but was re-enslaved by other means (Jim Crow, convict-leasing, sharecropping). Workers struggled to organize in the midst of periodic crisis and industrial exploitation. The system responded to the growing ferment in the post-slavery era with periodic reforms that attempted to channel resistance into acceptable means of change.

The 20th Century marked the last period of reform for US capitalism. The “New Deal” was instituted to save capitalism from the organized militancy of workers in the Depression era. World War II provided much of the funding for government programs. It also paved two paths of development. One was the fascist, imperialist road of Western exploitation and domination. The other was the socialist road led by the Soviet Union. The historic struggle for socialism took place everywhere, including the US. Black Americans played a critical role in the war against the old rule of monopoly capital and for socialist development, a war that continued even after the “New Deal” reeled large sections of the working class back into imperialism’s orbit.

Black Americans were excluded from most of the benefits of “New Deal” legislation. The continuation of the brutal system of state sanctions white supremacy gave Black American freedom fighters like Paul Robeson and WEB Dubois every reason to forge relationships with nations and people fighting US imperialism at the time. Nations like the Soviet Union and Ghana represented alternatives to the racist, imperialist system of the US. The Black Panther Party and other revolutionary organizations in latter half of the 20th century built relationships of solidarity with socialist China, Korea, Vietnam and other national liberation struggles worldwide. FDR’s “New Deal” and LBJ’s “Great society” should be seen in a context where global forces were in motion away from, not toward, the dominant capitalist order.

Neither President was shy to explain that such reforms were meant to save capitalism and nothing else. Imperial reforms and repression halted the development of the world socialist revolution, at least for the moment. Imperialism's fight-back created an uneven course of development throughout the world. The fall of the Soviet Union in 1991 greatly diminished the socialist camp and empowered the capitalist class to further concentrate capital into its greedy hands. In the 1970's, the capitalist system fell into crisis. Monopoly capital's crisis of overproduction could only be resolved through further monopolization and usurious speculation of commodities, like oil, which were already institutionally dominated by the West under the Bretton Woods Agreement. The ruling class imposed a permanent warfare state on the world and wasted no time to carry out a program of austerity, privatization, deindustrialization and repression. All of it was justified by the neo-liberal paradigm.

Neo-liberalism is repression, privatization, and empire

The neo-liberal paradigm is often called a "right wing backlash" or a divergence from the liberal welfare state. Such a simplification ignores the connection between monopoly capital, war, and domestic repression. Neo-liberalism is not just a return to classical capitalist values. It is the ideology of corporate domination and the plunder of finance capital. In simpler terms, neo-liberalism is a form of capitalist self-preservation. The values of individualism, profit, and private property are dominant aspects of the system as in prior periods. However, the application of these principles differs from prior periods because the challenges of maintaining the rule of the rich have changed. The neo-liberal paradigm is best understood in the context of the conditions that birthed it. Below are illustrative examples in the realm of repression, austerity, and war.

A) Repression

Neo-liberalism required mass scale repression to thrive in the midst of economic crisis and global resistance. Washington's murderous COINTELPRO surveillance of the Black Panther Party and the Black liberation movement created the technical capacity for the 21st century National Security State (See Black Against Empire's chapter "41st and Central"). As deregulation, deindustrialization, and austerity plundered the post-World War II economic base of Black and oppressed communities, the ruling class diverted resources into the militarization of police forces and the expansion of prisons. The Black Mass Incarceration State developed to stifle

Black resistance and lock up the growing numbers of Black unemployed and poor Americans displaced by neo-liberal capitalism's end game.

In the 80's and 90's, the imperial state implemented the "tough on crime" War on Drugs policy to promote the growth of the National Security State. The Pentagon provided material support for local police departments to conduct militarized "drug raids" and mass surveillance of Black Americans. This was supported by Drug laws that targeted Black Americans with a disparate ratio between "crack" cocaine and power cocaine criminal sentences (which are now 18 to 1 as opposed to 100 to 1 up until a year ago). State by state "three strikes" laws were also instituted as a way to lock up Black Americans charged for felonies from drug offenses. The ruling class thus created a literal "trap" that created a pipeline of occupation in working class Black communities starting from the streets of dispossessed neighborhoods and in to the rapidly growing prison state.

The "War on Drugs" eventually lost its popularity in the public eye. When the "War on Terror" was declared by Bush Jr. officially in 2001, companies like Blackwater and Lockheed Martin began raking in billions in government contracts to militarize the police and develop a mass surveillance system. Undocumented immigrants were terrorized by more fiercely militarized border patrols. The NSA, CIA, FBI, and other related intelligence communities expanded exponentially to conduct surveillance on each and every American. Since Ed Snowden's leaks of NSA surveillance, the National Security State has come under increased scrutiny for its massive size and perversion of privacy. Its ideological and material roots lie in the transformation of the covert repression of oppressed people into an open counterinsurgency war to protect the interests of the neo-liberal capitalist order.

The US Black Mass Incarceration State imprisons the most people in the world and spends more money on mass surveillance than any country on the planet. The goal is to ensure that the looting of all working class people, especially Black people, continues without the formation of a radical movement against it. The criminalization of Black Americans and the erosion of civil liberties under the dictates of the War on Terror period should be seen as necessary conditions of the neo-liberal paradigm. Each targets the oppressed as scapegoats and gives capital the needed political space to continue history's largest wealth transfer (robbery) from the working class to the rich.

B) Austerity and Privatization

Privatization has been the primary means of achieving super-profits for the capitalist class in a period of permanent crisis. Neo-liberal policy has consistently recycled capitalist and racist ideology to justify shockwaves of increased exploitation. The attack on federal welfare recipients at the beginning

of the neo-liberal period is case in point. Throughout the 1980's and into the 1990's, Black women were labeled "Welfare Queens" by the American corporate media and political class. The idea of the "Welfare Queen" created hostile racist conditions that allowed Washington to eliminate of AFDC welfare benefits in 1996.

President Clinton and the Democratic Party collaborated with Newt Gingrich's Republican Party to eliminate AFDC. This collaboration represented a lasting partnership between the imperialist parties toward neo-liberal ends. Clinton passed the anti-union, anti-worker NAFTA policy two years earlier, which further gutted the industrial base of the working class. NAFTA culminated an intensified attack on workers and unions from corporate capital that officially began when Reagan busted the PATCO strike in the early 80's. Clinton also instituted the HOPEIV program, which demolished thousands of public housing units to pave the way for privately contracted subsidized housing and the gentrification of Black working class cities. The Clinton era rollbacks of union organization and social programs are key examples of neo-liberalism at work.

Neo-liberal austerity in the US has created a new, more miserable normal for working class and oppressed. Public education is being privatized in Chicago and cities all over the country. Corporately sponsored charters like the KIPP School are replacing public schools. Teach for America scabs are replacing community-based teachers. The privatization of public education is most developed in New Orleans. Washington responded to Hurricane Katrina by using the impoverished Black Lower Ninth Ward as an experimentation zone to completely replace public education with "school-choice" vouchers and charter schools. This was confirmed when Arne Duncan stated in 2010 that Hurricane Katrina "was the best thing that happened to the education system in New Orleans."

Since the economic crisis of 2008, the city of Detroit has experienced the harshest form of neo-liberal plunder to date. The city has been stripped of its municipal political system and put under the state's emergency management plan led by Jones Day Law Firm. Jones Day is notoriously known as a shill for Bank of America, Barclays, and Wall Street generally. Education, water, housing, and municipal pensions are being sold off as "assets" to pay the banks for the crisis they created. This model is being in Atlantic City and potentially for cities across the nation.

Detroit and Atlantic City's majority Black metropolises have been sold off to the ruling class in the name of "revitalization" and "innovation." These catchwords for reform are a critical element of neo-liberalism. They reek of anti-Blackness and anti-working class sentiment. The ideology of neo-liberalism cannot be disconnected from the material conditions that have been

rendered by almost four decades of austerity and privatization. Half of US public school children are living in poverty. Black women are being evicted at the same rate of Black male imprisonment. White America has over ten times the wealth of Black America. These examples of intensified exploitation are the result of neo-liberal ideology and policy at work.

Neo-liberalism since the 1980's, in sum, has meant the expansion of homelessness, poverty, union busting, and the privatization of all aspects of life so that monopoly capital can expand nationally and globally. The key characteristic of such expansion is that rather than changing form from one mode of development (industrial to finance, or agricultural to industrial), capitalism has been forced to squeeze and eat up everything it can lay its hands on. The other option for the rulers of capital is for the system to stagnate and die.

C) War

Austerity and privatization thrive off the dehumanization of the oppressed. Similarly, imperialist war is no different in the neo-liberal period. In the 1960's and 70's, US imperialism's Vietnam debacle created an embarrassing blemish for US foreign policy interests. The war also helped precipitate the economic crisis of the 1970's. The international devaluation of the dollar and the overproduction of oil and other assets sent shockwaves of reality to the capitalist system. To ward off future political and economic crisis, the ruling class gave the world's people an ultimatum. The rulers of capital demanded subservience to US corporate interests or face economic and military war. However, the character of US sponsored imperialist warfare was forced to change as the capitalist system entered the neo-liberal period. Vietnam taught the ruling class that it could no longer draft (force) Americans to invade countries without political and economic consequence.

US capitalism's transition into the neo-liberal period was not a peaceful one. The conditions of neo-liberalism necessitated a state of permanent imperial warfare, and World War II helped produce the military arsenal to get the job done. In a 1954 document entitled Notes on Foreign Economic Policy, the CIA targeted international trade regulations and the growing influence of socialism as the primary obstacles to US economic hegemony. US involvement in the affairs of other nations was encouraged. A special emphasis was placed on economic development led by US dominated global financial institutions like the IMF. Corporate expansion and the imposition of war were declared in the document matter of "national security."

In 1973, the CIA overthrew the democratically elected Chilean government of Salvador Allende. Thousands were killed and thousands more disappeared under the rule of the fascist dictatorship of Augusto Pinochet. Washington's

bloody coup was conducted under the dictates of the neo-liberal paradigm. Milton Friedman and graduates of the University Chicago helped plan the neo-liberal policy of shock and awe privatization that was implemented after the coup. The privatization of state resources and forced dependence on the IMF and Wall Street defined fascist Chile. Private investment indebted Chile to the West and threw the majority of people in Chile into poverty. Chile represented the desired model of imperialist plunder for the US and the neo-liberal ruling class.

Since 1945, the US has directly overthrown over fifty foreign governments and caused the death and impoverishment of millions of people. The US invaded Iraq in 2003 at the expense of almost two million Iraqi lives. In the Democratic Republic of Congo, over six million have been murdered by Ugandan and Rwandan-backed mercenaries since 1996 as they plunder the country's natural resources. The African states waging war on the Democratic Republic of Congo are heavily supported by the US. Cuba, Venezuela, the DPRK, and Iran are currently under crippling US sanctions that have cost these nations billions in revenue and immeasurable suffering. The expansion of war in the interests of neo-liberalism has cost at least 20-30 million lives since the end of World War II.

US imperialism has promoted wars of austerity and pillage as projects of "democracy" "counter-terrorism." The war on Libya and Syria were called "humanitarian interventions." These racist and paternalistic justifications for murderous plunder and robbery are critical to the defense of neo-liberalism. The world's people must be seen as "terrorists" or unable to govern themselves without "help" from the benevolent West. Colonialism's racist paradigm of the innate "inferiority" of the colonized remains a staple of the neo-liberal period.

Neo-liberalism is a major reason why the US is a permanent warfare state. Permanent war is a result of permanent neo-liberal economic crisis. By 2016, the top 1 percent of the globe will have more wealth than the rest of humanity combined. As capital has concentrated in the hands of the capitalists, the capitalists have unleashed their military apparatus to ensure the spread and safety of its profits. Militarism stands as the most significant weapon in imperialism's arsenal to halt its demise.

This explains why the US supports terrorism around the globe to overthrow independent nations yet acts as if its foreign policy objective is a "War on Terror." The necessity of war also explains why Russia and China are being militarily surrounded by US installations despite having a large stake in the US capitalist economy. The desperation of neo-liberalism lies in the fact that the US was once half of the global capitalist economy after World War II. Six decades later, the US is only 17 percent of the global capitalist economy. What the US lost in economic power has been compensated through military

expansion. Terrorism, “humanitarian intervention,” and economic sabotage are the primary means of maintaining US hegemony of the neo-liberal variety.

However, the US militarism is failing to institute” shock and awe” neo-liberal economics as it did in prior decades. In Syria, Ukraine, and Libya, US intervention has created conditions of chaos and internal war, which have disallowed a smooth transition to neo-colonialism. So while the world remains in a lopsided struggle against IMF debt, Wall Street dominance, and US overt and covert military war, there are positive signs that the imperialist neo-liberal system is losing ground. China’s rise to global economic supremacy and Russia’s growing influence on world affairs guarantee that the US neo-liberal ruling class will continue to wage war on the planet until the imperialist system is overthrown entirely.

In sum, the primary lesson of neo-liberalism is the need for a revolutionary transformation here and around the world. The socialist process has already begun, but neo-liberalism has forced its retreat. Corporate and finance capital’s neo-liberal model has been the dominant model of development in the world since the economic crisis of the 1970’s. The ideological foundation of neo-liberalism is fascist, free-market fundamentalism and white supremacy. In the quest to impose corporate domination and restore the capitalist system, the imperialist ruling class has waged economic wars of privatization, military wars of destabilization, and domestic wars of repression against oppressed people and nations all over the world.

This chapter examined neo-liberalism within the context of the development, history, and current conditions of the imperialist system. Neo-liberalism’s impact on oppressed people is vast and extensive. Readers of this article are encouraged to study Black Agenda Report’s analysis of the Black Misleadership Class and color-blind racism. The parallel rise of the Black Misleadership Class and the ideology of “color-blindness” have a close relationship to the ideology and conditions of neo-liberalism. So too does the rise of the non-profit industrial complex. These developments were in large part born from the need for new political buffers between the oppressed and the ruling class during the catastrophic transition into neo-liberalism.

Imperialism will continue to push the neo-liberal agenda in an attempt to recover what it has lost in economic dominance. The left must forward a revolutionary analysis of neo-liberalism into the day-to-day work of liberation struggle. Neo-liberalism’s policy of destabilization is arguably a new, more improved fascism in every realm of life. Unlike the war between fascism and imperialism in the early to mid-20th century, monopoly capital cannot grow and expand itself out of crisis or reform itself to appease broad sections of the class structure. Neo-liberalism has no choice but to plunder

or die. That is, until the resistance of the oppressed bring about the system's immediate end. How much more can we take?

Indeed, neoliberalism begets violence. How does this happen? Based on recent research, there appears to be a link between the ideals of neoliberalism and increasing rates of dehumanizing and oppressive inequality. Navarro (1998) argues, for instance, that neoliberal policies have contributed to growing inequalities around the globe and to worsening living conditions for the majority of the world's people. For her part, George (1999) agrees and blames increasing inequality on the common neoliberal practices of placing public wealth into private hands, approving tax cuts for the wealthy, and pushing wages down for the non-elite. And, unfortunately, evidence suggests that inequality may mediate the relationship between neoliberalism and a third variable: interpersonal violence.

In this regard, Krug et al. (2002:1086) write that "economic conditions [i.e., inequality] are both the causes and the effects of violence" with those on the poorer end of the spectrum experiencing the most violence. Other scholars, too, have found that inequality is positively correlated with violent crime rates (see Fajnzylber, Lederman, and Loayza 2002). Considering these findings, it appears that as neoliberalism becomes more prominent in a country, it can be expected that inequality and, as a result, interpersonal violence within that country will increase. In an attempt to demonstrate this argument, I will review these relationships before providing a brief case study to demonstrate how these variables may be interrelated.

The relationship between neoliberalism and inequality has been a contentious issue. Advocates of neoliberalism often argue that their ideology has been helpful in that it has reduced absolute inequality. While this may be somewhat true, this view is challenged by those who point out that relative inequality has increased alongside the supposed decrease in absolute inequality (Uvin 2003). Buttressing this claim, Coburn (2004) argues that neoliberalism itself is either unconcerned with or may actually endorse inequality. In a similar vein, Harvey (2003, 2005) blames the capitalist nature of neoliberalism for rising inequality. In particular, he writes of capitalism's inequality-inducing penchant for "accumulation by dispossession" via suppressing the rights of the commons, commodifying labor power, suppressing all non-capitalist forms of production and consumption, appropriating assets, monetizing exchange and taxation, and initiating credit systems.

Through these processes, Harvey writes that neoliberalism engenders inequality through the uneven development of states and through the restructuring of class power in favor of the elites. Wade (2004) concurs and

argues that inequality both within and between countries has widened since about 1980, the time that neoliberalism really began to take off under Reagan, Thatcher, and Kohl. In spite of this, world leaders often defend this ideology and the inequality that it creates. Thatcher once quipped, for example, that “It is our job to glory in inequality, and see that talents and abilities are given vent and expression for the benefit of us all” (Lean and Cooper 1996:52). By such statements, leaders not only recognize the link between neoliberalism and inequality, they also legitimize it and present it as being both universal and normative.

Somewhat expectantly, then, research suggests that growing inequality brings about many social maladies. One of these more serious problems is interpersonal violence. In an analysis of the link between income inequality and violence, Fajnzylber, Lederman, and Loayza (2002) examined the relationship between a country’s inequality and its violent crime rate. Their results indicated that there is as a positive correlation both within countries and between countries when it comes to the association between inequality and violence. By controlling for other crime determinants, the researchers declared that there exists a causal link between inequality and crime.

Despite Neumayer’s (2005) critiques of Fajnzylber et al.’s study, other researchers have also found a positive correlation between inequality and violence. Bourguignon (2001), for instance, contends that violence is often a byproduct of irregular or uneven economic development in developing countries. An increase in a developing country’s income inequality, he writes, tends to increase the criminality of its people. In a more specific explanation, Wade (2004) suggests that inequality leads to violence as unskilled men in unequal societies become increasingly aggressive in response to their frustration. Their social capital and trust hitting low levels, these frustrations can then boil over and result in violence.

In an attempt to demonstrate the relationships among neoliberalism, inequality, and violence, consider the case of Brazil. In the early 1990s, this country increasingly embraced the ideas of neoliberalism. Import tariffs were lessened, most non-tariff barriers were abolished, privatization was increased, and investments were liberalized (Amann and Baer 2002). Yet, despite these pro-capitalist changes and drastic improvements in inflation rates, Amann and Baer contend that Brazil’s neoliberal regime did not improve income inequality, a problem which has haunted the country for decades. In fact, the gap between the richest 10 percent of income groups and the poorest 40 percent of income groups has continued to increase since the introduction of neoliberal policies.

Amann and Baer blame part of this widening gap on the reduction of employment opportunities in the industrial sector that occurred as a result of policies that favored privatization, technological advances, and, consequently, mass layoffs. As could probably be expected, urban violence rose dramatically in places like Rio de Janeiro and Sao Paulo during this time period. Similarly, Gawryszewski and Costa (2005) found that homicide rates were highest in the areas of Sao Paulo with the highest rates of socioeconomic disparities. In response to such problems, Amann and Baer conclude that Brazil needs the state to reemerge as a promoter of equality.

Considering this brief case review, it is hopefully easier to understand how neoliberalism directly contributes to inequality and may indirectly contribute to violence. By promoting inequality and disregarding the poor (Coburn 2004), neoliberalism increases the amount of social inequality found both within and across countries (Harvey 2003, 2005; Wade 2004). This inequality, research has shown, can then manifest itself in aggression, frustration, and, ultimately, violence (Bourguignon 2001; Fajnzylber, Lederman, and Loayza 2002; Wade 2004) just as it has done in Brazil. In an effort to dismantle this relationship, Krug et al. (2002:1086) write that “comprehensive approaches to violence prevention should include efforts to promote positive economic development, especially in ways that seek to reduce inequalities.”

Yet, as of now, such a restructuring does not appear to be on the horizon. This, of course, suggests that inequality and violence may very well increase in the decades to come. The essence of neoliberalism is therefore the redistribution of wealth up. This upward redistribution of wealth is also carefully hidden under the smoke screen. Neoliberalism in principle can't deliver prosperity for all, as the key idea is just the opposite. But revolt is suppressed by powerful propaganda machine as well as the raw military and technological power of the USA (“Lord protector” of neoliberalism) and speculation on human greed (which represents a variation of classic “divide and conquer” approach).

The most common criticisms of neoliberalism, regarded solely as economic policy rather than as the broader phenomenon of a governing rationality, are that it generates and legitimates extreme inequalities of wealth and life conditions; that it leads to increasingly precarious and disposable populations; that it produces an unprecedented intimacy between capital (especially finance capital) and states, and thus permits domination of political life by capital; that it generates crass and even unethical commercialization of things rightly protected from markets, for example, babies, human organs, or endangered species or wilderness; that it privatizes

public goods and thus eliminates shared and egalitarian access to them; and that it subjects states, societies, and individuals to the volatility and havoc of unregulated financial markets.

The neoliberal revolution is that *homo politicus* is finally vanquished as a fundamental feature of being human and of democracy. Democracy requires that citizens be modestly oriented toward self-rule, not simply value enhancement, and that we understand our freedom as resting in such self-rule, not simply in market conduct. When this dimension of being human is extinguished, it takes with it the necessary energies, practices, and culture of democracy, as well as its very intelligibility.

For most Marxists, neoliberalism emerged in the 1970s in response to capitalism's falling rate of profit; the shift of global economic gravity to OPEC, Asia, and other sites outside the West; and the dilution of class power generated by unions, redistributive welfare states, large and lazy corporations, and the expectations generated by educated democracies. From this perspective, neoliberalism is simply capitalism on steroids: a state and IMF-backed consolidation of class power aimed at releasing capital from regulatory and national constraints, and defanging all forms of popular solidarities, especially labor.

The grains of truth in this analysis don't get at the fundamental transformation of social, cultural, and individual life brought about by neoliberal reason. They don't get at the ways that public institutions and services have not merely been outsourced but thoroughly recast as private goods for individual investment or consumption. And they don't get at the wholesale remaking of workplaces, schools, social life, and individuals. For that story, one has to track the dissemination of neoliberal economization through neoliberalism as a governing form of reason, not just a power grab by capital. There are many vehicles of this dissemination—law, culture, and above all, the novel political-administrative form we have come to call governance. It is through governance practices that business models and metrics come to irrigate every crevice of society, circulating from investment banks to schools, from corporations to universities, from public agencies to the individual. It is through the replacement of democratic terms of law, participation, and justice with idioms of benchmarks, objectives, and buy-ins that governance dismantles democratic life while appearing only to instill it with “best practices.

Misconceptions about Neo-Liberalism

Neo-Liberalism is often mistakenly seen only as an economic policy. This *per se* might not matter, since a specific set of economic measures do, no doubt, fall under the rubric of neo-liberalism. But by reducing neo-liberalism only to a set of economic measures, a misleading impression is often conveyed that this set of measures are a matter of choice on the part of the ruling bourgeois political formation, i.e., that a “non-neo-liberal” set of measures could also be followed, even in conditions of contemporary capitalism, if only the bourgeois political formation ensconced in government had decided to do so.

Reducing neo-liberalism only to an economic policy creates scope for this misconception. In fact, however, neo-liberalism is a mere description (and a bad one at that) of a whole set of measures that are associated necessarily with the hegemony of globalised finance. These measures are not a matter of choice by some particular bourgeois political formation; they would have to be adopted in the contemporary epoch by any bourgeois political formation, i.e., as long as the country remains within the capitalist orbit, whence it also follows that any political formation that wishes seriously to overturn these measures would necessarily have to be prepared to transcend capitalism. It may have to do so, no doubt, through all kinds of complex tactical steps, but it cannot lull itself into overlooking the necessity for doing so, a point that acquires particular significance in the context of Greece today and of other European countries that may throw up anti—” austeritey” Left-wing governments in the coming days.

The point being made here is analogous to the one that Lenin had made against Karl Kautsky on the question of imperialism. He had accused Kautsky of thinking of imperialism as a policy and thereby suggesting that a non-imperialist policy was also possible at that time, either on the basis of monopoly capitalism itself, or through a reversion from monopoly back to “free competition”, from which monopoly itself had already emerged. Both these possibilities, he had argued, were utterly unreal, and represented sheer wishful thinking, or a “petty bourgeois” pipe-dream.

To underscore his point that one could not detach imperialism from monopoly capitalism in this manner, that it was not a “policy” that could or could not be adopted depending on the volition of the ruling government under monopoly capitalism, he had defined imperialism as the monopoly phase of capitalism. Kautsky’s rejoinder to this, namely that if one defined imperialism as monopoly capitalism, then one did not prove the “necessity” of imperialism for capitalism but simply pushed it by definition, also emerged

naturally from his position. It only expressed his perception that the necessity of imperialism was an independent matter which had to be separately established, whence it followed as a possibility that one could retain monopoly capitalism but do away with this necessity, i.e., that a non-imperialist policy was possible at that time even without transcending capitalism. Exactly analogously neo-liberalism is not a separate detachable thing from contemporary capitalism. It is contemporary capitalism, a manifestation of this contemporary capitalism, characterized as it is by the hegemony of globalised, i.e., international, finance capital.

One often comes across a mirror image of this argument of “separability”, which is prevalent in Left-wing circles, especially in Europe, regarding “globalization.” This holds that the “globalization” occurring today is a “good” thing, even though contemporary capitalism is “bad”, so that we should somehow retain this “globalization” even while trying to transcend contemporary capitalism. What this argument does is to detach contemporary “globalization” from contemporary capitalism, and suggesting that we should retain the one but not the other. But the “globalization” that is occurring today is no less a manifestation of contemporary capitalism than the economic measures covered under the term neo-liberalism. Just as one cannot get rid of neo-liberalism while retaining contemporary capitalism, likewise one cannot get rid of contemporary capitalism while retaining contemporary globalization. They together constitute an integral unity that has to be transcended. Through what particular tactical steps this is done is a separate issue, but to imagine that one component of it can be retained while the other is discarded is to ignore this unity. It amounts to wishful thinking.

The question that arises is: what are the characteristic features of this unity that constitutes contemporary capitalism? One can obviously touch upon only a few of them here, but all of them follow from the fact that today’s capitalism is “capitalism unrestrained.” The restraint that capitalism faced when it was engaged in a struggle against the aristocracy (which had inter alia forced the enactment of factory legislations in England); the restraint that capitalism faced when it was engaged in a struggle against the rising proletariat, when it looked as if socialism was about to conquer the world; and the restraint that capitalism faced when it was organised on “national” lines, as “national” finance capital trying to impose its will upon the nation-State against the resistance of the working people, especially in the post-second war period when this resistance had forced the institution of electoral democracy in the advanced capitalist countries: this conjuncture of restraints appear for the moment to have been lifted. The socialist challenge has abated for the moment; and “globalization” of capital has forced nation-

States, even those whose governments derive support from the working class, to accede to the demands of this capital. The characteristics of contemporary capitalism therefore follow in a sense from this conjuncture of “capital unrestrained.” What are these characteristics which are immanent in capitalism, but are now getting expressed with unprecedented “freedom”?

One is the spread of commoditization on a scale not seen till now. Of particular relevance here is the commoditization of sectors like education and health. In the oldest capitalist country of the world, England, more than two centuries had to elapse since the industrial revolution, before the sphere of higher education got opened up to private profit-making. Commoditization of higher education has two implications. One is that those who are the products of it are also mere commodities with little social sensitivity, and what is true of the advanced capitalist countries holds with far greater strength in the so-called “emerging” capitalist countries; the destruction of social sensitivity among the products of higher education is carried to far greater lengths here. The other is an attempt to commoditize whatever remains of the intellectual resistance to capitalism, and hence enfeeble it.

The second characteristic is a ruthless destruction of petty production. Capitalism historically had subjugated petty production (or more generally pre-capitalist production) for its own ends through colonialism, without necessarily supplanting it (except in the temperate regions of white settlement where the land of the “natives” was taken over by immigrants from the metropolis); but against such subjugation there had also been massive resistance from the petty producers. In our own history, the string of revolts, from the Indigo revolt to the 1857 uprising, culminating in large-scale peasant support for the anti-colonial freedom struggle, are obvious examples of such resistance.

Decolonization had brought some restraint upon such subjugation, but contemporary capitalism, negating the post-colonial dirigiste economic regimes and integrating the corporate-financial oligarchies of the ex-colonial nations into the corpus of international finance capital, has not only revived this ruthless process of subjugation of petty producers, but is now embarking on a massive process of dispossession of such producers, of naked “primitive accumulation of capital”, of which the “Land Grab Bill” currently before the Indian parliament is an obvious example. The phenomenon of 200,000 peasants committing suicide in the wake of India’s assimilation into the world hegemonized by international finance capital underscores the severity of this process.

The third is an enormous increase in economic inequality, not just in wealth but also in incomes, and not just globally, between the working people

of the world and the corporate-financial oligarchies of the world, but also within each country, between these two poles within each country. So significant has this problem become that Thomas Piketty's book on it became an instant best-seller. And even the Davos economic summit of the world leaders of capital listed it as one of the three major issues confronting "mankind."

The reason for this increase in inequality is that while the world reserve army of labor remains large and undiminished, its baneful consequences, of not allowing real wage rates to increase, are now not confined only to the third world countries where such large labour reserves exist. They also extend to the advanced capitalist countries whose workers too have to eschew demands for wage-increases, lest capital, now "globalised", move to lower-wage third world countries. Thus, with real wages everywhere not increasing, all increases in labor productivity raise the share of surplus in output, and hence income inequality. This occurs globally as well as within each country.

An aspect of this phenomenon is the growth in world hunger. We suggested above that real wages remain tied to some subsistence level in third world countries. But even this does not happen. The privatization of education, health and other essential services, increase their costs enormously, which erodes the purchasing power in the hands of the working people, and actually lowers their per capita real expenditure on food. When we add to this, which basically concerns the employed workers or "the active army of labour", the fact that the dispossession of petty producers also swells the reserve army, the scale of increase in the magnitude of world hunger becomes understandable.

The fourth characteristic is linked to this increase in inequality. Such an increase produces at the world level a tendency towards over-production (since a shift of income distribution from the working people to the big capitalists has a demand-depressing effect). In a situation where the nation-States confronting international capital have little option but to obey its diktat, capital uses this fact to wrest further concessions from the State on the grounds that such concessions, by improving the state confidence of the "investors", would overcome the crisis of over-production. In short, a dialectic of growing income inequality, persisting or even accentuating economic crisis, and growing class power of capital that actually aggravates both inequality and crisis but is defended paradoxically as a way out of the crisis, gets built up in the contemporary conjuncture.

The fifth characteristic follows from this. Such democratic institutions as exist in capitalist countries had got built up as a result of workers' struggles. Once this "restraint" of workers' militancy has been lifted, capitalism's

natural tendency would be to scuttle such institutions (also *inter alia* by commoditizing them). In addition however the dialectic mentioned above, of growing inequality, persisting crisis, and increasing class power of capital, which is justified in the name of overcoming a crisis that nonetheless persists, increases capitalism's fear of, and hostility towards, democratic institutions. From financing fascist groups, to dividing people along ethnic and religious lines, to blatant recourse to mendacity (as in the case of the Iraq war), to outright suppression of democratic institutions, a whole range of methods are employed to ensure that such institutions are suitably enfeebled. At the same time the attempt to keep people divided creates a situation of social disintegration. Recourse to political authoritarianism and to social disintegration thus becomes the hall-mark of contemporary capitalism.

Contemporary Imperialism

Lenin dated the imperialist phase of capitalism, which he associated with monopoly capitalism, from the beginning of the twentieth century, when the process of centralization of capital had led to the emergence of monopoly in industry and among banks. The coming together (coalescence) of the capitals in these two spheres led to the formation of "finance capital", which was controlled by a financial oligarchy that dominated both these spheres, as well as the State, in each advanced capitalist country. The struggle between rival finance capitals for "economic territory" in a world that was already completely partitioned, not just for the direct benefits that such "territory" might provide, but more importantly for keeping rivals out of its potential benefits, necessarily erupted, according to him, into wars, which offered each belligerent country's workers a stark choice: between killing fellow workers across the trenches, or turning their guns on the moribund capitalism of their own countries, to overthrow the system and march to socialism.

We can distinguish between three different phases of imperialism since then. The first phase, of which the Second World War was the climax, corresponded almost exactly to Lenin's analysis: rivalry between different finance capitals to repartition an already partitioned world bursting into wars which in turn led to the formation of a socialist camp. The precise course of events through which this general trend unfolded after Lenin's death included an acute economic crisis (the Great Depression of the thirties), to which the disunity among capitalist powers contributed, and which in turn created the conditions for the emergence of fascism that unleashed the Second World War and that represented in Dimitrov's words the "open terrorist dictatorship of the most revanchist sections of finance capital."

The Second World War greatly weakened the position of financial oligarchies. The working class in the advanced capitalist countries that had made great sacrifices during the war emerged much stronger from it and was unwilling to go back to the old capitalism. (A symptom of this was the defeat of Winston Churchill's Tory Party in the post-war elections in Britain and the enormous growth of the Italian and French Communist Parties). The socialist camp had grown significantly and was to grow even further with the victory of the Chinese Revolution. Capitalism had to make concessions to survive, and two concessions in particular were significant: one was decolonization, where it was so reluctant to proceed that even after the formal process was completed it refused voluntarily to yield control over third world resources, as evident in the cases of Iran (where Mossadegh was overthrown in a CIA coup after nationalizing oil) and Egypt (where an Anglo-French invasion was launched after Nasser nationalized the Suez Canal).

The other was State intervention in "demand management" in advanced countries to maintain high levels of employment, which until then had never been experienced in capitalist economies. State intervention in demand management in turn was made possible through the imposition of controls over cross-border capital flows, and also trade flows. A new international monetary system, where the dollar was declared "as good as gold" (exchangeable against gold at \$35 per ounce) and which allowed such restrictions on trade and capital flows, came into being. It reflected the new reality of the domination of US imperialism, and a muting of inter-imperialist rivalries in the new scenario. This was the second phase of modern imperialism.

The conditions for the third phase within which we are currently located were created by this second phase itself. The dollar's being "as good as gold" meant in effect that the U.S. was handed a free and unlimited gold mine: it could print notes and the rest of the world was obliged to hold such notes since they were "as good as gold." As a result, the US did print notes to finance, among other things, a string of military bases all over the world with which it encircled the Soviet Union and China. These notes started pouring into European banks which then started lending all over the world. They wanted to lend even more as the torrent of notes increased during the Vietnam War. Capital controls were a hindrance in their way and were therefore gradually removed. The international monetary system under which the dollar was officially convertible to gold could not be sustained and was abandoned in the early seventies, though the pre-eminent position of the

dollar as the form in which a large chunk of the world's wealth was held remained.

But the easing of capital controls and increased mobility of finance across the globe brought into being a new entity, international finance capital. This third phase of modern imperialism is marked by the hegemony of international finance capital, which is the driving force behind the phenomenon of globalization, and the pursuit of neo-liberal policies in the place of Keynesian demand management policies in the advanced countries and Nehru-style “planning” (or what some development economists call dirigiste policies) in the third world.

Capitalist Imperialism and Inequality

Capitalist imperialism can't surmount inequality as the system itself creates the curse that humanity struggles to defeat. And, inequality, with imperial power and incapacities, affects societies in far flung areas distorting their economic-social-cultural-political development. Moreover, inequality with its political manifestations and ramifications threaten the system. But the system nourishes inequality. A seemingly strange, but inherent contradiction within the system!

Advanced capitalist economies, the economies that have fattened themselves by bleeding the poor in every corner of the planet, are bearing inequality in spheres of income, well-being, health care and education. It's not possible for the system to break down barriers to equality, the dream humanity nourishes in its heart. This takes away all logic for the existence of capitalism while connections of capitalist crisis are exposed.

The sharp rise in oppressive income inequality across the world is one of the most worrying developments of the past 200 years, said the Organisation for Economic Co-operation and Development (OECD) in a recent report. “It is hard not to notice the sharp increase in income inequality experienced by the vast majority of countries from the 1980s. There are very few exceptions to this”, said the report *How Was Life? Global well-being since 1820* (van Zanden, J. L., et al. (eds). (2014) OECD Publishing, doi: 10.1787/9789264214262-en).

“The enormous increase of income inequality”, the report said, “on a global scale is one of the most significant – and worrying – features of the development of the world economy in the past 200 years.” The report tracked wellbeing in eight world regions over two centuries.

About three years ago OECD Secretary-General informed: “Income inequality in OECD countries is at its highest level for the past half century.

The average income of the richest 10% of the population is about nine times that of the poorest 10% across the OECD, up from seven times 25 years ago.” He was presenting *Divided We Stand: Why Inequality Keeps Rising*, an OECD study report, in December 2011. The Secretary-General said: Inequality increased further in the US, Germany, Denmark, Sweden, Israel. It has “fallen in Chile and Mexico, but in these two countries the incomes of the richest are still more than 25 times those of the poorest.”

The world capital blesses the rich: from seven times to nine times within 25 years, and more than 25 times of the poor! Despite many countries’ recovery from the Global Economic Crisis, the OECD finds, “the distribution of “market income” (gross earnings and capital income) kept widening ... Measured by the Gini coefficient (which is 0 when everybody has the same income and 1 when one person has all the income), market income inequality rose by 1 percentage point or more in 20 OECD countries between 2007 and 2011/12.” (OECD (2014), “*Income Inequality Update - June 2014*“)

Inequality is behaving in an “amazing” way: Hardest the hit largest the increase. “The largest increases”, according to the OECD, “occurred in those countries hit hardest by the crisis: Spain, Ireland, Greece, Estonia and Iceland.” France and Slovenia have the same experience. “In Spain and Greece, inequality of market income widened considerably in the aftermath of the crisis, and kept increasing more recently as the crisis persisted: compared to 2010, it increased by another 1.5 and 3 percentage points, respectively, in 2011. Market income inequality also increased by more than 1 percentage point in 2011 in Germany, Luxembourg and Portugal, compared to 2010.” (ibid).

In Australia, poverty is on the rise. More than one million Australians are in severe poverty, with access to less than 30 percent of national median income. More than 2.5 million people, and one in six children, are struggling to fulfill their daily basic needs. More than 600,000 children, and one-third of children in single parent families, lived below the poverty line. A significant number of Australians remained in “deep and persistent” poverty for extended periods, often for more than five years. More than 40 percent of all people on social security benefits fell below the poverty line. More than 100,000 persons are homeless. Adult working-age Australians are more likely to be homeless than any other age group, constituting 44% of all homeless persons nationally. Children have the second largest representation among those classified as homeless, with more than 1 in 4 homeless, children. (Cassells, R., Dockery, M., and Duncan, A (2014), *Falling through the cracks*:

Poverty and Disadvantage in Australia, Bankwest Curtin Economics Centre and *Poverty in Australia 2014*, the Australian Council of Social Services)

The ACSS report cited the Australian Bureau of Statistics *Household Income and Expenditure Survey* that asked people about their actions because of a shortage of money. Actions taken by the respondents over the last year due to a shortage of money included “Pawned or sold something”, “Sought financial help from friends/family”, “Unable to heat home”, “Went without meals”, “Could not pay gas/electricity/telephone bill on time.” Do these sound “actions” by the poor in Third and Fourth Worlds (TFW)? Australia, it was claimed during the Great Financial Crisis (GFC), was not facing the crisis. The economy was happily cashing on coal export. But the coal power, along with casino and prostitution, has powered poverty also.

Crisis not only generates inequality and poverty in capitalism. Crisis also aggravates inequality-situation although the system fattens with profit.

During the last 200 years, as the OECD compares, the world found capitalism gaining strength to strength, conquering heights after heights, plundering land after land, waging wars for loot, abusing science and technology for maximizing profit. Over the last 200 years capitalism has gradually and forcefully entrenched its world system. Two world wars ravaged the world during the last 200 years. The last World War and its aftermath put extra wealth and power in pocket of capitalism. The Korea and Vietnam Wars brought more money to capitalism. Multinational corporations made huge investments and made huge profit during the period. Capitalism’s “golden age” was during the last 200 years.

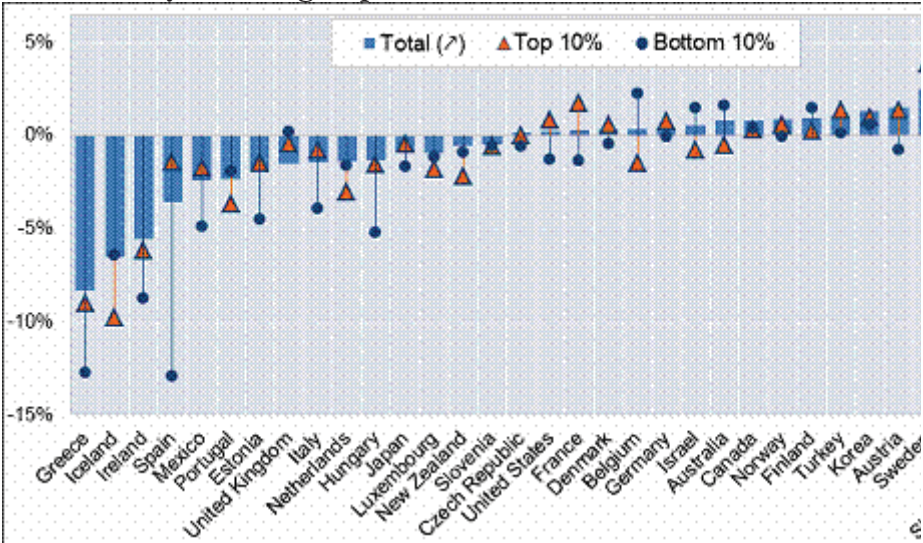
Capitalism has ensured its control not only with its economic dictatorship, but has also imposed its political, information, cultural and ideological order, dictatorship, over the entire planet. It’s imperialism. Post-revolutionary societies’ efforts to reduce inequality set a few examples as the societies tried to break the chain of the imperialist world order. But those efforts faced disasters. A number of new examples are now emerging in a part of the planet. But still capitalism, the system owning enormous wealth, is the order of the day, and inequality dominates the capitalist system. Condition of the poor around the world is the evidence.

Poor: lost more gained less

Gains the poor made in the capitalist world disclose capitalism’s capacity and incapacity, capacity to deprive many and benefit a few, and incapacity to initiate a fair distribution among many. “Lower income households”, the OECD finds, “either lost more during the crisis or benefited less from the

recovery. Across the OECD countries, real household disposable income stagnated, and the income of the bottom 10% of the population declined from 2007 to 2011 by 1.6% per year (Figure 1). Focusing on the top and bottom 10% of the population in 2007 and in the latest year available shows that, on average across the OECD, the drop in income was twice as large for the bottom 10% compared with the top 10%. Out of the 33 countries where data are available, the top 10% has done better than the poorest 10% in 19 countries.” (ibid).

Figure 1: Poorer households tended to lose more or gain less
Annual percentage changes in household disposable income between
2007 and 2011, by income group



Source: OECD (2014), “Income Inequality Update - June 2014.” © OECD 2014

Note:

1. Data for 2007 refer to 2006 for Chile and Japan; and 2008 for Australia, France, Germany, Israel, Mexico, Norway, New Zealand, Sweden, and the US. Data for 2011 refer to 2009 for Japan; 2010 for Austria and Belgium; and 2012 for Australia, Finland, Hungary, Korea, Mexico, the Netherlands and the US . For Hungary, Mexico and Turkey data on market income inequality are not available. There is a break in the series in 2011 for the UK, and results are not strictly comparable. 2011 data for Ireland and the UK are provisional.
2. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East

Jerusalem and Israeli settlements in the West Bank under the terms of international law.

3. (?) in the legend relates to the variable for which countries are ranked from left to right in increasing order.

Disposable income also experienced inequality. Spain, France, Hungary, Slovak Republic had larger increases in disposable income inequality. Following a few years of stable inequality in disposable income Germany and the U.S. the two significant economies in the world capitalist system, found a significant increase in 2011 and 2012. In Finland, Korea, the Netherlands, Poland and Portugal, the slight decrease in disposable income inequality continued in 2011. (ibid).

Most of the OECD-countries (Oc) are in the First and Second Worlds. What happens to the poor in non-OECD-countries, most of which are in the poor TFW? In most of the Oc, transparency and accountability in the ruling mechanism is better than the countries in the TFW. What the poor in the TFW face everyday in the present world order if the poor in the Oc benefited less and lost more?

The TFW-countries are not only home to backward economies; these countries are also (1) victims of the world capitalism that mercilessly exploits all the resources of these countries; (2) home to crude ruling elites that openly plunder the people and the nature in respective countries, ruthlessly dominate entire societies, and lumpenize political process; and (3) victims of imperialist intervention, which is carried out not only with armed forces, but also with other forces that include aid, finance, science and technology, and diplomacy and politics. This reality of invasion increases inequality in the TFW-countries.

Lumpenizing political process is a single example of many acts and processes that increase inequality. Functions lumpenized political process carries out include snatching away minimum rights based on which people can get mobilized, voice issues related to inequalities, infrastructure and essential services, demand wage rise, protest wage cut and destruction of nature, environment and ecology. "With the tightening of class lines and the increasing severity of social conflict", Sweezy (1964) writes, "parliament becomes more and more a battle ground for contending parties representing divergent class and group interests. ... [P]arliament's capacity for positive action declines..." Sweezy's observation was on parliaments in capitalist economies.

In the periphery, the parliament-reality is different from those in the center. Moreover, the reality in the periphery is not only related to parliament.

Its distortion/perversion is wider. “In the periphery ... efforts to copy the bourgeois institutions of the center ... either produced empty façades or were discarded by dominant classes ... who saw in any concessions to the underlying population a dangerous threat to their continued rule.” (*Four Lectures on Marxism*, MR Press, 1981) This reality of empty façade hurts people’s efforts and struggles against inequality.

Now, it’s an accepted fact that destruction of nature, environment and ecology hurts people, and the poor is hurt most. The world capitalism makes money by demolishing nature, environment and ecology while people get hurt—deprived—because of the demolition. And, today, imperialism is the army of the world capitalism that makes the onslaught on environment, etc.

Today’s Iraq, Afghanistan, Libya, Syria are burning examples of increased inequality due to imperialist intervention. People in countries that turn into victim of imperialist intervention not only stand helpless in front of destruction and disruption of all arrangements and services essential for their survival; they also find institutions critical for survival either vanished or vacant or pseudo. In lands invaded by imperialists, mere daily survival with barest provisions turns out the only fact of life as the first and only concern of the peoples there in those lands is insecurity/security of life. Uncertainty compounds insecurity in the life of the people.

All essential and basic provisions for sustaining life are hoarded in an imperial depot named dearth. Organizations required for voicing needs and waging struggle to attain essential provisions and services turn dysfunctional during and after invasion. The atmosphere that overwhelms an invaded land is hostile to people’s organizations capable of organizing people’s democratic struggle as only “good wishes” of victor, represented by an administrator or a commander or an ambassador, prevails there. The entire situation increases inequality. Imposition of neo-liberal measures in countries is an example of imperialist intervention in the form of economy. The countries intervened are now not only the TFC, but countries in the Second World also. The regime change episode in Greece and Italy are examples.

The neo-liberal measures—selling out of public properties, utility services and infrastructure are only a few of those measures—increase inequality. Neo-liberal measures are imposed by imperialism. Its power and organizations impose it. The recent bombardment with austerity measures in Greece and other countries is another example of imperialist intervention. These countries are examples of rising inequality that the measures generated. Imperialism, thus, emerges as one of the main actors behind inequality and its rise. Mainstream’s discussions on inequality don’t take into account the

issues of imperialism and the world order that the imperialist powers run. It's mainstream's *altum silentium*, profound silence.

Finance Capital Then and Now

In this third phase of imperialism there has been such an immense growth of the financial sector within each capitalist economy and of financial flows across the globe that many have talked of a process of “financialization” of capitalism, rather like “industrialization” earlier. While this may be an accurate description of the processes involved, it does not draw attention to the entity that has come into centre-stage, namely international finance capital. This entity differs from finance capital of Lenin's time in at least three way.

First, while Lenin had talked about the “coalescence” of finance and industry and had referred to finance capital as capital “controlled by banks and employed in industry”, which tended to have a national strategy for expanding “economic territory” that would also serve the needs of its industrial empire, the new finance capital is not necessarily tied to industry in any special sense. It moves around the world in the quest for quick, speculative gains, no matter in what sphere such gains accrue.

This finance is not separate from industry, since even capital employed in industry is not immune to the quest for speculative gains, but industry does not occupy any special place in the plans of this finance capital. In other words not only does capital-as-finance function as capital-as-finance, but even capital-in- production also functions as capital-as-finance; capital-as-finance on the other hand has no special interest in production. This is basically what the process of “financialization” involves, namely an enormous growth of capital-as-finance, pure and simple, and its quest for quick speculative gains.

Secondly, finance capital in Lenin's time had its base within a particular nation, and its international operations were linked to the expansion of national “economic territory.” But the finance capital of today, though of course it has its origins in particular nations, is not necessarily tied to any national interests. It moves around globally and its objectives are no different from the finance capital that has its origins in some other nation. It is in this sense that distinctions between national finance capitals become misleading, and we can talk of an international finance capital, which, no matter where it originates from, has this character of being detached from any particular national interests, having the world as its theatre of operations, and not being tied to any particular sphere of activity, such as industry.

Thirdly, such uninhibited global operation requires that the world should not be split up into separate blocs, or into economic territories that are the preserves of particular nations and out of bounds for others. The interests of international finance capital therefore require a muting of inter-imperialist rivalry. If this process of muting of inter-imperialist rivalry began in the post-war period as an outcome of the overwhelming economic and strategic strength of the U.S. among capitalist powers, it gets sustained in the current phase by the very nature of international finance capital.

To say this is not to suggest that contradictions do not exist among these powers, or that they are not engaged in intense competition in world trade, of which the present currency wars (which amount to a “beggar-my-neighbor” policy) are a reflection. But such contradictions are kept in check by the need of globalized finance to have the entire globe as its unrestricted arena of operations. Certainly, the idea of these contradictions bursting into open wars among the advanced capitalist countries, or even proxy wars among them, appears far-fetched in the foreseeable future.

Many have seen in this fact a vindication of Karl Kautsky’s theory of “ultra-imperialism”, which referred to the possibility of a peaceful and “joint exploitation of the world by internationally-united finance capital”, as against Lenin’s emphasis on inter-imperialist rivalry and the inevitability of wars. But the world has moved beyond the Kautskyan perception as well, so that using his concept of “ultra-imperialism” in today’s context is misleading for at least two reasons. First, “internationally-united finance capital” of Kautsky is not the same as “international finance capital” of today. We are not talking about unity among a handful of national finance capitals of major capitalist countries, but we are talking about an international phenomenon, which goes beyond national finance capitals and is no longer confined to a handful of powerful countries. It is both composed of finance capitals of different national origins, including from third world countries, and also moves around the entire globe pursuing its own interest, and no particular national capitalist interest. Secondly, Lenin’s emphasis on wars as accompanying imperialism remains as valid today as it was in his time. World wars among imperialist countries may not appear on the horizon; but other kinds of war arising from the phenomenon of imperialism, of which the Iraq war, the war in Afghanistan, and the earlier war in the Balkans are examples, continue.

Globalization of Finance and the Nation-State

In the current phase of imperialism, finance capital has become international, while the State remains a nation-State. The nation-State

therefore willy-nilly must bow before the wishes of finance, for otherwise finance (both originating in that country and brought in from outside) will leave that particular country and move elsewhere, reducing it to illiquidity and disrupting its economy. The process of globalization of finance therefore has the effect of undermining the autonomy of the nation-State. The State cannot do what it wishes to do, or what its elected government has been elected to do, since it must do what finance wishes it to do.

It is in the nature of finance capital to oppose any State intervention, other than that which promotes its own interest. It does not want an activist State when it comes to the promotion of employment, or the provision of welfare, or the protection of small and petty producers; but it wants the State to be active exclusively in its own interest. It brings about therefore a change in the nature of the State, from being an apparently supra-class entity standing above society, and intervening in a benevolent manner for “social good”, to one that is concerned almost exclusively with the interests of finance capital. To justify this change which occurs in the era of globalization under pressure from finance capital, the interests of finance are increasingly passed off as being synonymous with the interests of society. If the stock market is doing well then the economy is supposed to be doing well, no matter what happens to the level of hunger, malnutrition and poverty. If a country is graded well by credit-rating agencies, then that becomes a matter of national pride, no matter how miserable its people are.

The point however is that this “inverted logic”, this apparent illusionism, is not just a misconception or false propaganda; it has an element of truth and is rooted in the actual universe of globalization. It is indeed the case that if finance lacks “confidence” in a particular country and flows out of it, then that country will face dire consequences through a liquidity crisis, so that pleasing finance, no matter how oppressive it is, is a pre-condition for economic survival within this system. This “inverted logic” therefore is the direct off-shoot of a real life phenomenon, namely the hegemony of international finance capital. It cannot be overcome by appealing to some “correct logic” or some “correct priorities of the State”; it requires the transcendence of the hegemony of international finance capital. It requires in short not “reform” within a system dominated by finance capital but an overcoming of the system itself.

Finance capital’s insistence upon a non-activist State, except when the activism is in its own interest, takes in particular the form of imposing fiscal austerity upon the State.

In the old days, the “sound finance” on the part of the State that was favored by finance capital consisted in a balancing of its budget. At present

it takes the form, pervasively, of a 3 percent limit on the size of the fiscal deficit relative to GDP. This is the limit legislated across the world from the EU to India and sought to be enforced. (The one exception among capitalist countries is the U.S. which systematically ignores whatever “fiscal responsibility” legislation exists in its statute books, and alone among these countries enjoys a degree of fiscal autonomy. But this is because its currency is still considered *de facto*, though no longer *de jure*, “as good as gold”, and hence constitutes the medium in which much of the world’s wealth is held; capital flight out of the U.S., owing to displeasure on the part of finance over the size of its fiscal deficit, therefore will be resisted by the entire capitalist world, a fact that speculators themselves are well aware of).

Since the nation-State pursuing trade liberalization has to cut customs duties, and therefore must restrict excise duties (so as not to discriminate between domestic and foreign capitalists), and since, in the interests of “capital accumulation” it keeps taxes on corporate incomes, and hence, for reasons of *inter se* parity, on personal incomes, low, the limit on the fiscal deficit causes an expenditure deflation on its part. And this provides the setting for “privatizing” not only State-owned assets “for a song” but also welfare services and social overheads like education and health.

All this is usually referred to as constituting a “withdrawal of the State” and its rationale is debated in terms of “the State” versus “the market.” Nothing could be more wrong than this. The State under neo-liberalism does not withdraw; it is involved as closely as before, or even more closely than before, in the economy, but its intervention is now of a different sort, *viz.* exclusively in the interests of finance capital.

The recent events in Greece and Ireland underscore this point. The State in those countries incurred a fiscal deficit in order to shore up the banks which had financed speculative bubbles earlier and have now come a cropper with the bursting of the bubbles. To cut the fiscal deficit however the State now has to wind up its Welfare State measures, at the expense of the working masses. The State in short intervenes in favor of finance capital, but withdraws from intervention in favor of the working people.

In India itself, despite a massive food price inflation now, the State hoards 60 million tonnes of food grains because its release through the PDS will raise the fiscal deficit, and hence offend finance capital. Not surprisingly, both Keynesian demand management in the advanced capitalist countries and third world dirigisme become untenable in the era of globalization. The nation-State in the era of globalization in short becomes a custodian of the interests of international finance capital, which has the obvious effect of attenuating, diminishing and making a mockery of political democracy.

The Global Financial Community

The restrictions on the activities of the nation-State are imposed not just by the fear of a capital flight. A whole ideological apparatus, and with it a whole army of ideologues, gets built for supporting neo-liberal policies. Since finance capital itself becomes international in character, the controllers of this international finance capital constitute, to borrow Lenin's expression, a global financial oligarchy. This global financial oligarchy requires for its functioning an army of spokesmen, mediapersons, professors, bureaucrats, technocrats and politicians located in different countries.

The creation of this army is a complex enterprise, in which one can discern at least three distinct processes. Two are fairly straightforward. If a country has got drawn into the vortex of globalized finance by opening its doors to the free movement of finance capital, then willy-nilly even well-meaning bureaucrats, politicians, and professors will demand, in the national interest, a bowing to the caprices of the global financial oligarchy, since not doing so will cost the country dear through debilitating and destabilizing capital flights. The task in short is automatically accomplished to an extent once a country has got trapped into opening its doors to financial flows.

The second process is the exercise of peer pressure. Finance Ministers, Governors of Central Banks, top financial bureaucrats belonging to different countries, when they meet, tend increasingly to constitute what has been called an "epistemic community." They begin increasingly to speak the same language, share the same world view, and subscribe to the same prejudices, the same theoretical positions that have been aptly described as the "humbug of finance." Those who do not are under tremendous peer pressure to fall in line; and most eventually do. Peer pressure may be buttressed by the more mundane temptations that Lenin had described, ranging from straightforward bribes to lucrative offers of post-retirement employment, but, whatever the method used, conformism to the "humbug" that globalized finance dishes out as true economics becomes a mark of "respectability."

But even peer pressure requires that there should be a group of core ideologues of finance capital who exert and manipulate this pressure. The "peers" themselves are not free-floating individuals but have to be goaded into sharing a belief-system. There has to be therefore a set of key intellectuals, ideologues, thinkers and strategists that promote this belief system, shape and broadcast the ideology of finance capital, and generally look after the interests of globalized finance. They are not necessarily

capitalists or magnates; but they are close to the financial magnates, and usually share the “spoils.”

The financial oligarchy proper, consisting of these magnates, together with these key ideologues and publicists of finance capital, constitute the “global financial community.” The function of this global financial community is to promote and perpetuate the hegemony of international finance capital. And this global financial community insinuates its way into the political systems of various countries, initially as IMF and World Bank-trained “advisers” into economic ministries, and subsequently as cabinet ministers, and even office-bearers, of established political Parties.

Reforms are undertaken everywhere in the education system to rid it of the vestiges of any world view different from what the global financial community propagates. They play an important role in the ideological hegemony of finance capital. The process of privatization and commoditization of education facilitates the instituting of such reforms.

Financial crisis and the Future of Neoliberal Imperialism

In the years following the global financial crisis of 2007-09, and the subsequent ‘Great Recession’, a couple of different slants appeared in the research on neoliberalism. Firstly, there was a heightened awareness that applied neoliberalism has in practice translated into ‘financialisation’. This means that profits made in the financial sector account for an ever-greater share of profitability overall, made thanks to financial deregulation and growing household, consumer and student indebtedness. The banking bail-outs of 2008 highlighted the crucial role of the state in under-writing the financial sector, to allow for privatization of gains and socialization of losses. In place of profitable production, neoliberalism discovers sources of profit through expanding risk calculus into non-productive areas of social life, which can then be drawn into the financial economy. When it transpires that some of these risks cannot be handled by the private financial economy, they are transferred to the state. The complex neoliberal symbiosis between state and corporations (in this case, banks) attains a new form.

Secondly, the endurance of neoliberalism (Crouch, 2011) is itself a matter which requires explanation. The global financial crisis appears to have resulted in a strengthening, and not a weakening, of neoliberalism and the experts that propagate it. States appear even more committed to defending the interests of finance, against other political interests, and increasing the reach of finance into everyday life. Meanwhile, state borrowing is represented as the cause of the crisis, rather than the result, leading to further dismantling

of social protections and public sector institutions. On the other hand, the ideology, legitimacy or hegemony of neoliberalism, as a system dedicated to equal opportunity, enterprise and wealth-creation, is now far weaker than before the crisis. There is thus some debate as to whether neoliberalism is ‘alive’, ‘dead’ or in some paradoxical ‘zombie’ state.

Economic Crisis and Growing Inequality

Neoliberalism’s “market fundamentals” imposed by the Washington Consensus on developing countries in Latin America, Africa, and Asia in the 1990’s imposed global economic integration by way of liberalization, deregulation, and privatization. These have also increasingly become the basis for domestic economic policy in the US—creating super-profits for the US financial elite (aka the 1%), and raising the poverty line within US borders, debunking Obama’s claim that “middle-class economics works,” as the rich few accrue more wealth, and the majority fall into depression.

As of December 2015, the US external debt has reached \$19 trillion. The US economy has further moved away from industrial production and become more reliant on financialization—essentially making profit out of putting more Americans in debt, most notably through predatory lending for mortgages, education, personal credit—privatization, and austerity to pull itself out but to no avail. Obama’s claim of a drop in unemployment to 5.5% in 2015 is artificial when it is actually at 9.6%, mainly because it excludes the tens of millions of Americans who are rapidly dropping out of the country’s labor force. Immigration policy is determined largely by the global labor market’s demands for cheap, flexible, and exploitable labor. Staple neoliberal practices of privatization and austerity mean unprecedented loss and lack of recovery of public-sector jobs. Exclusivity and wealth disparity, especially along racial and gender lines, are growing. According to a report released by the Urban Institute, white families on average have seven times the wealth of African American families and six times the wealth of Hispanic families. Plain and simple, not everyone has a fair shot to “make it” in America. In fact, most don’t.

Neoliberalism is Militarism

Obama’s claims of aspiring to make technology work for us, especially in solving the climate crisis and wanting to keep America safe and lead the world without “becoming its policeman” are also misleading and problematic, particularly when it comes to neoliberalism’s push for hyper-militarism. In

both foreign and domestic policy, the US government continues to push for greater militarism. The US government spends more on military production and warfare than any other country in the world. Military production and defense spending dominated the 2015 federal budget at nearly USD 600 billion. In addition to funding and arming militaries and paramilitaries around the world, the US maintains nearly 800 military bases in over 70 countries. In 2014, the costs of US military intervention around the world cost US taxpayers approximately \$100 billion. While creating the illusion of a unipolar world under US imperialism, more and more imperialist and advanced capitalist countries are looking to compete with and isolate US hegemony. The world is fed up with US domination and does not look to the US for leadership. Multi-polarity and competition amongst imperialist powers for markets, territories, and natural resources is a proven recipe for endless global warfare.

Within US borders, law enforcement is also hyper-militarized and hyper-aggressive, most notably the police and Immigration Customs and Enforcement (ICE). The impunity granted to militarized law enforcement to kill, arrest, attack, detain, and deport speaks directly to the profitability of criminalization, state brutality and repression, especially in the context of a white supremacist, racist, xenophobic, bigoted, enemy-fearing, and anti-immigrant society. Furthermore, the Pentagon remains the largest user of petroleum products and energy in the world, yet remains exempt from international climate agreements. The US military and US war production remain one of the biggest perpetrators of the global climate crisis.

Another staple of neoliberalism is the push for so-called “free-trade agreements.” While 20 years of the North Atlantic Free Trade Agreement (NAFTA) proved disastrous particularly for economies in Latin America, destroying agricultural industries, impoverishing and forcing tens of millions to migrate for survival, the secretly-negotiated, and much larger Trans-Pacific Partnership (TPP) grossly goes beyond the scope of international trade and commerce, but also stresses defense and security of US economic interests in the Asia-Pacific region, home to the largest market for US exports. This inadvertently pushes for greater US militarization in the Asia-Pacific region in order to secure US economic hegemony by way of a so-called “Pivot to Asia.”

Contradictions of Global Imperialism

The neo-liberal imperialist regime imposed upon the world by the ascendancy of globalized finance capital entails a number of serious

contradictions which bring the system to an impasse. What we are witnessing at present is such an impasse. There are at least four contradictions which need to be noted.

The first consists in the fact that free movement of goods and services and of capital (though not of labor) has made it difficult to sustain the wage difference between the advanced and backward economies that had traditionally characterized capitalism. Since broadly similar technologies are available to all economies (and the free movement of capital ensures this), commodities produced with the cheaper labor that exists in the third world economies can outcompete those produced in the advanced countries. Because of this, wages in the advanced countries cannot rise, and if anything tend to fall in order to make their products more competitive, to move a little closer towards the levels that prevail in the third world, levels which are no higher, thanks to the existence of substantial labor reserves, than those needed to satisfy some historically-determined subsistence requirements.

Advanced country workers in other words can no longer escape the baneful consequences of third world labor reserves (which were created through colonial and semi-colonial exploitation that caused “deindustrialization” and a “drain of surplus”). And even as wages in the advanced countries fall, at the prevailing levels of labor productivity, labor productivity in the third world countries moves up, at the prevailing level of wages, towards the level reached in the advanced countries. This is because the wage differences that still continue to exist induce a diffusion of activities from the former to the latter. This double movement means that the share of wages in the total world output decreases.

Such a reduction in the share of wages in world output also occurs for yet another reason: as technological progress in the world economy raises the level of labor productivity all around, the wages of workers do not increase in tandem, again owing to these wages being tied to the existence of substantial labor reserves in the world economy. As a result, taking the world economy as a whole there is both an increase in income inequalities, and, as a consequence, a growing problem of inadequate aggregate demand: since a dollar in the hands of the working people is spent on consumption while a dollar in the hands of the capitalists is partly saved, any shift in income distribution from wages to profits tends to depress demand and create a “realization problem.” Credit financed expenditure and expenditure stimulated by speculative asset price “bubbles” provide only temporary antidotes to this tendency towards over-production at the world level, but with the bursting of such “bubbles” and the inevitable termination of such

credit financing, the basic underlying crisis of the world economy reappears with all its intensity.

The second contradiction under the neo-liberal regime arises from this. Any deficiency of aggregate demand resulting in unemployment and recession naturally affects the high-wage and therefore high-cost producers in the advanced countries more severely than those in the low-wage countries like India or China. Countries like the United States therefore experience, as a result of this world tendency towards over-production, not only higher levels of unemployment but also continuous and growing current account deficits on their balance of payments. In short, acute unemployment, particularly in the hitherto high-wage economies, and the so-called problem of “world imbalances” (whereby countries like China have continuous and growing current account surpluses while the United States has growing deficits and hence gets increasingly indebted) are both caused by the neo-liberal regime imposed upon the world by globalized finance capital. While the US multinational corporations and US financial interests demand neo-liberal regimes everywhere, the fall-out of this demand is reduced wages and employment for the US workers.

If the State in the advanced economies like the U.S. could intervene to promote demand then unemployment there could be reduced. But as we have seen the regime of globalized finance entails a rolling back of State intervention in demand management. Of course, the State of the leading economy, the US, whose currency, being almost “as good as gold”, enjoys a degree of immunity from the caprices of international finance capital in this respect, still retains some fiscal autonomy and can still undertake demand management, since capital flight away from its currency will not be too serious. But since the leading-currency country itself is getting progressively indebted, its ability to undertake demand management also suffers. The incapacity of the capitalist State to undertake demand management as earlier constitutes the third contradiction of the neo-liberal regime, within which therefore there is no effective solution to the problem of global over-production and global imbalances.

Neo-liberalism in short pushes capitalism towards a protracted crisis for several co-acting reasons: it creates a tendency towards over-production in the world economy by engendering inequalities in world income distribution; it enfeebles capitalist nation-States for undertaking demand management; and it also undermines the capacity of the leading State for playing a similar role, but for a different reason, namely by saddling it with continuous and acute current account deficits.

It may be thought that the crisis we are talking about is primarily concerned with the advanced capitalist world, which will continue to remain sunk in it for a long time to come (and if by chance there is a new “bubble” that temporarily lifts it out of this crisis, its inevitable collapse will plunge it back into crisis); that the third world, especially countries like India, are immune to it. This, however, is where the fourth contradiction of neo-liberal capitalism becomes relevant. This relates to the fact that the bourgeois-led State in the third world withdraws from its role of supporting, protecting and promoting the peasant and petty producers’ economy, as the domestic big bourgeoisie and financial interests become closely integrated with international finance capital under the neo-liberal regime, leading to a fracturing of the nation and the development of a deep hiatus within it. The abandonment of this role which the bourgeois-led State had taken upon itself during the dirigiste period as a part of the legacy of the struggle for decolonization, causes a decimation of petty production, the unleashing of a process of primitive accumulation of capital or what may be more generally called a process of “accumulation through encroachment.”

Multinational retail chains like Walmart come up to displace petty traders; agribusiness comes in to squeeze the peasantry; land grabbing financiers come in to displace peasants from their land; and petty producers of all descriptions everywhere get trapped between rising input prices caused by withdrawal of State subsidies and declining output prices caused by the withdrawal of State protection from world commodity price trends. When we add to all this the rise in the cost of living, because of the privatization of education, health and several essential services, which affects the entire working population, we can gauge the virulence of the process of primitive accumulation that is unleashed.

The current period therefore is one where it is not only the advanced capitalist countries that are beset with crisis and unemployment, but even apparently “successful” “high growth” countries like India. The former are affected by the problem of inadequate demand, the latter by both the fall-out of the former’s crisis (via its effects on peasants’ prices and export activities) and also by the additional problem of distress and dispossession of petty producers and the unemployment engendered by it. Both segments of the world economy therefore get afflicted by acute social crisis.

Other Perspectives on Contemporary Imperialism

We have discussed contemporary imperialism so far on the basis of Lenin’s analysis, i.e. taking his analysis as our point of departure. In

contemporary writings on imperialism however we come across certain other perspectives. Let us examine some of these. One such perspective sees imperialism not in terms of the immanent economic logic of capitalism, which, through the process of centralization of capital, gives rise first to the finance capital that Lenin had analyzed, and subsequently to international finance capital; instead it emphasizes imperialism as a political project undertaken by the State of the leading imperialist country, the U.S., for globalizing its brand of capitalism through enlisting the support of other advanced capitalist States. It therefore sees continuity in the imperialist project in the post-war period, in terms of a persistent attempt by the U.S. State to build an “informal empire” by taking other capitalist States on board. This project might have been thwarted in some periods (such as the dirigiste period in the third world) and advanced rapidly in others (such as the more recent “era of globalization”). But through all these vicissitudes it is essentially a conscious, planned political project.

The difference between this perspective and the one outlined earlier is methodological and hence quite fundamental. By taking the leading country’s State as the driving force behind imperialism, it attributes not just a relative autonomy to the State but in fact an absolute autonomy. The State, it admits, acts within an economic milieu, but it does not see economics as driving politics. In fact it rejects such a proposition as being “reductionist.” It therefore departs from the fundamental understanding of capitalism as being a “spontaneous” or self-driven system that is unplanned, and therefore incapable of resolving its own basic contradictions.

An immediate consequence of this position is to underestimate the current impasse of capitalism. More generally, the methodological flaw in the approach that attributes an autonomy to politics is that it cannot anticipate events, but can only explain them post facto. There are no foreclosed options for capitalism in any given situation imposed by the intrinsic economic logic of the system; the State as an autonomous agency can always mould the system to overcome whatever predicament it may happen to be in. Whether it will be able to do so or not can only be known after the event. This approach therefore is not conducive to conscious revolutionary praxis founded upon the building of revolutionary class alliances on the basis of anticipating the course of movement of society as a whole.

A very different perspective is provided by the influential work *Empire* (2000) by Hardt and Negri, which talks of a transition from “modern” imperialism based on nation-States to a “post-modern” global Empire, a transnational entity comparable to ancient Rome. With the rise of the Empire, there is an end to national conflicts. The Empire is total: victorious

global capitalism completely permeates our social lives, appropriates for itself the entire space of “civilization” and presents its “enemy” only as a “criminal”, a “terrorist” who is a threat not to a political system or a nation but to the entire ethical order.

Unlike the standard Leftist position, however, which struggles to limit the destructive potential of globalization, by preserving the Welfare State for instance, Hardt and Negri see a revolutionary potential in this dynamic; the standard Left position from their perspective therefore appears to be a conservative one, fearful of the dynamics of globalization. In this sense they can claim an affinity to Marx who did not advocate limiting the destructive potential of capitalism but saw in it an enormous advance for mankind which had to be carried forward through the transcendence of capitalism itself.

But even if this affinity is granted for argument's sake, there is nonetheless a basic difference even in this regard between Marx on the one hand and Hardt and Negri on the other. This difference consists in the fact that while Marx saw not only the necessity for the transcendence of capitalism but also the fact that the system produced the instrument, viz. the proletariat, through which it could be carried out, Hardt and Negri's practical proposals for going beyond contemporary globalization come as a damp squib.

The authors propose political struggles for three global rights: the right to global citizenship, the right to a minimal income, and the right to a re-appropriation of the new means of production (i.e. access to and control over education, information and communication). Instead of concrete strategies of struggle, we thus end up with mere pious wishes.

Take for instance the right to a minimal income. The immanent tendency of capitalism to produce “wealth at one pole and poverty at another” is manifesting itself at present through a vicious process of absolute immiseration, caused by an unleashing of primitive accumulation of capital that is not accompanied by any significant absorption of the impoverished into the ranks of the proletariat. The demand for a minimal level of income in this context is meaningless unless we are willing to transcend capitalism and struggle for an alternative system which is free of any immanent tendency to produce such absolute impoverishment. The logic of this alternative system, the nature of this alternative system, the roadmap for getting to this alternative system (which we call socialism) must therefore be worked out if we are serious about the right to a minimal level of income. The demand for such a right within capitalism then can only play the role of a transitional demand (in Lenin's sense), which is unrealizable within the system but which can act as a mobilizing, educating and illuminating device.

To argue in general for a minimal level of income therefore is an illusion if it is considered achievable within capitalism, and a mere pious wish if the contours of a society within which it is achievable are not analyzed. To detach this demand from the struggle for socialism is reflective of a theoretical flaw, which afflicts Empire. The book, notwithstanding its several insights, does not have any analysis of the tendencies immanent in globalization, does not examine the economics of the system, does not see its “spontaneity”, its self-driven character that both creates its own grave-diggers and gives rise to conjunctures for revolutionary political praxis. Georg Lukacs had once said that the remarkable property of Marxism was that every idea that apparently went beyond Marx was in fact a reversion to something pre-Marxian. Hardt and Negri’s post-Marxist analysis paradoxically ends up regressing to a position that is even pre-utopian-socialist.

Accumulation by Dispossession

Accumulation by dispossession is about plundering, robbing other people of their rights. When we start to look at what has happened to the global economy for the past decades, a lot of that has been going on all over the place. In some instances, it is taking away peoples’ rights to dispose of their own resources, so you will find that there is resistance to that in the Middle East, now surfacing as transnational terrorism, call it the Islamic State in Iraq and Syria (ISIS), Bok Haram, Taliban or whatever name one may call it (Mentan, 2004).

One of the big issues behind the Zapatista movement was the control of resources. One of the big issues in Bolivia right now is the control of natural resources. Capitalism is very much about taking away the rights people have over their natural resources. But it is not only natural resources when we are talking about dispossession. If you look at what is happening to people’s pension funds, it is the taking away of rights. And you take a look at the world and some people are getting extremely rich right now.

How are they getting rich? Are they getting rich because they are contributing to a global economy in productive ways or are they getting rich because they are taking away other people’s rights? If you look at the history of things such as Enron you see that a lot of wealth is being accumulated in the world right now by dispossessing others of their rights and their wealth. It could be natural resources as in Iraq, or in Bolivia or Chiapas, or it could be rights which have been accumulated through pension funds and so on. You could look at something like eminent domain in the United States right now, something that is now being used to take away people’s property so the

developers of Wal-Mart can build a new store or a shopping mall. A whole pattern is emerging, and it seems that it is important to understand the dynamics of the accumulation of capital that are occurring today.

Struggle against Neoliberal Imperialism

The nature of the crisis it was argued earlier differed somewhat between the first and the third worlds. In the former it is primarily a crisis of insufficiency of aggregate demand, which manifests itself in terms of unemployment and unutilized capacity, while in the latter (especially in countries like India) this aspect of the crisis, though not altogether absent, is muted (as yet), but impoverishment of the peasants and petty producers through a process of primitive accumulation of capital, and of the workers too as a consequence of it, takes centre-stage. It follows that class alliances behind the struggle will be different in the two theatres.

In the former, the working class, the immigrants, the so-called “underclass”, together with the white-collar employees and the urban middle class, will combine to provide resistance, as is happening in Greece, France, Ireland and England, though of course, as also happens in all such situations there is a parallel growth of fascism promoted by finance capital that seeks to thwart and disrupt this resistance. In the latter it is the peasants, petty producers, agricultural laborers, marginalized sections like the tribals and dalits, and the working class that will combine to provide the resistance, while segments of the urban middle class, who are as yet untouched by crisis in any form and benefit from the high growth ushered in by globalization, may for the time being become followers of the big bourgeoisie and financial interests.

The crucial difference thus relates to two segments: the peasants and petty producers who are a significant anti-imperialist force in the third world but are of less significance in the first, and the urban middle class which is a militant force in the first world (as exemplified for instance by massive student protests) but vacillates or tails the big bourgeoisie at the moment in the third world. (Latin America is different in this respect both in having a relatively small peasantry and in having an urban middle class that has experienced acute distress caused by its longer history of globalization and unrestrained neo-liberalism). Given this difference, a coordinated global resistance is not on the horizon, in which case the struggle against imperialist globalization must take diverse forms in diverse regions. In countries like India at any rate, it must entail forming a worker-peasant alliance around a national agenda based on a judicious de-linking from the global order.

The proposal for a selective de-linking of the national economy from the global economy will be objected to by many, since it appears to involve a retreat to “nationalism” from a regime of globalization. True, globalization is dominated by international finance capital and is carried out under the aegis of imperialism, but the way to fight it, many would argue, is through coordinated international actions by the workers and peasants. Nationalism, even anti-imperialist nationalism, they would hold, represents a retreat from such international struggles, and hence a degree of shutting oneself off from the world, which has potentially reactionary implications.

There are two basic arguments against this position. First, internationally-coordinated struggles, even of workers, are not a feasible proposition in the foreseeable future. And when we see the peasantry as being major force in the struggle against imperialist globalization in countries like ours, so infeasible is the international coordination of peasant struggles, that one cannot help feeling that those who insist on such international coordination are altogether oblivious of the peasant question. In other words, any analysis that accords centrality to the alliance of workers and peasants as the means of embarking on an alternative strategy cannot but see the struggle against imperialist globalization as being nation-based, with the objective of bringing about a change in the nature of the nation-State.

Secondly, as already mentioned, such de-linking is essential for bringing about an improvement in the living condition of workers in any country. And the workers who struggle for such an improvement cannot possibly be asked to wait until a new World State has come into being that is favorably disposed to the interests of workers and peasants.

Any delay on the part of the Left in third world countries like ours in working towards such a worker-peasant alliance against imperialist globalization will have serious consequences for another reason: the peasants will not wait for the Left to organize them; they will turn to all kinds of fundamentalist organizations to spearhead their resistance against the new global order if the Left does not step in. It is possible to detect the class support of peasants and petty producers behind the Islamic fundamentalism of an Ahmedinijad in Iran, just as the same class support lies behind the rise of an Evo Morales in Bolivia. Whether we follow the Iranian or the Bolivian trajectory depends upon how quickly the Left moves to organize the peasantry as a militant force aligned with the working class against imperialist globalization.

But, leaving aside pragmatism, doesn't a retreat into a national agenda represent a conservative, defensive reaction of the sort that Hardt and Negri had criticized, as opposed to seizing the dynamics of globalization for a

revolutionary carrying forward of the process? Isn't a retreat to a national agenda against the march of history, an un-dialectical act of setting the clock back? The answer to this question lies in the fact that the forward march of history is ensured by the lead provided by a force that comprehends "the historical process as a whole", a force that brings the revolutionary class outlook to the working class and organizes the peasantry around it. The march of history is not reducible to formulae about whether the terrain of resistance is national or international; it depends upon whether the leading force in the resistance is internationalist or reactionary.

The crisis of capitalism, as argued earlier, is likely to be a protracted one. It will pass through many phases and many twists and turns, some even adverse to the Left, just as during the unfolding of the 1930s crisis. But it is pregnant with historical possibilities of a socialist transition for mankind if the Left makes proper use of this conjuncture, as Lenin had done earlier.

Key Motives for Neoliberal Imperialism

Neoliberal Imperialism has become one of the most pervasive, if not, dangerous ideologies of the 21st century. Its pervasiveness is evident not only by its unparalleled influence on the global economy, but also by its power to redefine the very nature of politics itself. Free market fundamentalism rather than democratic idealism is now the driving force of economics and politics in most of the world, and it is a market ideology driven not just by profits but by an ability to reproduce itself with such success that, to paraphrase Fred Jameson, it is easier to imagine the end of the world than the end of neoliberal capitalism. Various motives prompt empires to seek to expand their rule over other countries or territories. These include economic, exploratory, ethnocentric, political, and religious motives.

Economic: Imperial governments, and/or private companies under those governments, sought ways to maximize profits. Economic expansion demanded cheap labor, access to or control of markets to sell or buy products, and natural resources such as precious metals and land; governments have met these demands by hook (tribute) or by crook (plunder). After the advent of the Industrial Revolution, dependent colonies often provided to European factories and markets the raw materials they needed to manufacture products. Imperial merchants often established trading posts and warehouses, created transportation infrastructure, and sought control over strategic choke points, such as the Suez Canal in Egypt (which allows boats to cut thousands of miles of travel time between Asia

and Europe). Imperial powers often competed with each other for the best potential resources, markets, and trade.

Exploratory: Imperial nations or their citizens wanted to explore territory that was, to them, unknown. Sometimes they did this for the purpose of medical or scientific research. At other times, they did it for the sense of adventure. Invariably, imperial explorers sought to discover, map, and claim territory before their imperial competition did, partly for national and personal glory and partly to serve the imperialist goal of expansion.

Ethnocentric: Imperial nations sometimes believed that their cultural values or beliefs were superior to other nations or groups. Imperial conquest, they believed, would bring successful culture to inferior people. In the late 19th century, for example, European powers clung to the racist belief that inferior races should be conquered in order to “civilize” them. The Europeans acted on their ethnocentrism, the belief that one race or nation is superior to others.

Political: Patriotism and growing imperial power spurred countries to compete with others for supremacy. It’s a matter of national pride, prestige and security. Empires sought strategic territory to ensure access for their navies and armies around the world. The empire must be defended and, better yet, expanded. Political motives were often triggered as responses to perceived threats to the security or prestige of the imperial power or its citizens abroad.

Religious: During imperial expansion, religious people sometimes set out to convert new members of their religion and, thus, their empire. Christian missionaries from Europe, for example, established churches in conquered territories during the nineteenth century. In doing so, they also spread Western cultural values. Typically, missionaries spread the imperial nation’s language through educational and religious interactions, although some missionaries helped to preserve indigenous languages. British missionaries led the charge to stop the slave trade in the nineteenth century, while others, such as French missionaries in Vietnam during the same time period, clamored for their country to take over a nation.

Neoliberal Imperialism and the Oppressive Stranglehold

Why and how did this combination of neoliberal capitalist imperialism and humanitarianism emerge? Capitalism has always moralized the economy and applied a gloss of righteousness to profit-making and unregulated competition precisely because it is so hard to believe. From Adam Smith’s ‘hidden hand’ to the assertion that unrestrained egotism promotes the

common good or that beneficial effects ‘trickle down’ if the rich get even bigger tax breaks, capitalism has consistently tried to claim the moral high ground (Michéa, 2009: Chapter 3).

Similarly, human rights and their dissemination are not simply the result of the liberal or charitable disposition of the West. The predominantly negative meaning of freedom as the absence of external constraints — a euphemism for keeping state regulation of the economy at a minimum — has dominated the Western conception of human rights and turned them into the perfect companion of neoliberalism. Global moral and civic rules are the necessary companion of the globalization of economic production and consumption, of the completion of world capitalism that follows neoliberal dogmas. Over the last 30 years, we have witnessed, without much comment, the creation of global legal rules regulating the world capitalist economy, including rules on investment, trade, aid, and intellectual property. Robert Cooper has called it the voluntary imperialism of the global economy. “It is operated by an international consortium of financial Institutions such as the IMF and the World Bank ... These institutions ... make demands, which increasingly emphasize good governance. If states wish to benefit, they must open themselves up to the interference of international organizations and foreign states.” Cooper concludes that “what is needed then is a new kind of imperialism, one acceptable to a world of human rights and cosmopolitan values” (Cooper, 2002: 3).

The (implicit) promise to the developing world is that the violent or voluntary adoption of the market-led, neoliberal model of good governance and limited rights will inexorably lead to Western economic standards. This is fraudulent. Historically, the Western ability to turn the protection of formal rights into a limited guarantee of material, economic, and social rights was partly based on huge transfers from the colonies to the metropolis. While universal morality militates in favor of reverse flows, Western policies on development aid and Third World debt indicate that this is not politically feasible. Indeed, the successive crises and re-arrangements of neoliberal capitalism lead to dispossession and displacement of family farming by agribusiness, to forced migration and urbanization. These processes expand the number of people without skills, status, or the basics for existence.

They become human debris, the waste-life, the bottom billions. This neo-colonial attitude has now been extended from the periphery to the European core. Greece, Portugal, Ireland, and Spain have been subjected to the rigors of the neoliberal “Washington Consensus” of austerity and destruction of the welfare state, despite its failure in the developing world. More than half the young people of Spain and Greece are permanently unemployed and a

whole generation is being destroyed. But this gene-cide, to coin a term, has not generated a human rights campaign.

As Immanuel Wallerstein put it, “if all humans have equal rights, and all the peoples have equal rights, then we cannot maintain the kind of inequalitarian system that the capitalist world economy has always been and always will be” (Wallerstein, 1995:176–7). When the unbridgeability of the gap between the missionary statements on equality and dignity and the bleak reality of obscene inequality becomes apparent, human rights will lead to new and uncontrollable types of tension and conflict. Spanish soldiers met the advancing Napoleonic armies shouting “Down with freedom!” Today people meet the ‘peacekeepers’ of the new world order with cries of “Down with human rights!”

Social and political systems become hegemonic by turning their ideological priorities into universal principles and values. In the new world order, human rights are the perfect candidate for this role. Their core principles interpreted negatively and economically, promote neoliberal capitalist penetration. Under a different construction, their abstract provisions could subject the inequalities and indignities of late capitalism to withering attack. But this cannot happen as long as they are used by the dominant powers to spread the ‘values’ of an ideology based on the nihilism and insatiability of desire.

Despite differences in content, colonialism, neoliberalism, imperialism and the human rights movement form a continuum, episodes in the same drama, which started with the great discoveries of the new world and is now carried out in the streets of Syria, Somalia, Yemen, Iraq, Libya and Afghanistan: bringing civilization to the barbarians. The claim to spread Reason and Christianity gave western empires their sense of superiority and their universalizing impetus. The urge is still there; the ideas have been redefined but the belief in the universality of the western world-view remains as strong as that of the colonialists. There is little difference between imposing reason and good governance and proselytizing for Christianity and human rights. They are both part of the cultural package of the West, aggressive and “redemptive” at the same time.

In sum, the neoliberal globalization of capitalist production has made it possible to buy a car in the United States made of German steel—steel forged from South African or Brazilian iron ore—and incorporating plastics produced in South Korea and China and tires made from Indonesian rubber, all of which are shipped via container ships to Mexico for assembly and then trucked over the US–Mexican border to American car dealers. But the issues around which the global justice movement coalesced don’t concern the

globalization of capitalist production, per se, but the neoliberal economic policies driving globalization and the social devastation neoliberalism has left in its wake. Neoliberal doctrine demands that developing countries privatize their national industries, liberalize their financial and capital markets, and allow unrestricted foreign investment. The neoliberal policies of the Washington Consensus ensure a “race to the bottom” for developing nations, as the International Monetary Fund [IMF] and World Bank scrap domestic regulatory powers, tweak democratically approved constitutions and re-tool domestic markets for export rather than survival.

This re-tooling creates the pockets of cheap labor and high unemployment that global capitalism needs in order to keep itself going. The language of “free trade” argues that this process will ultimately generate wealth and lift up the pockets of poverty, but a quarter century of neoliberal-driven globalization has so far produced a worldwide increase in poverty and inequality unprecedented in the history of capitalism. The unspoken mantra of liberalization is “capital mobility, labor immobility.” This helps to ensure that the neoliberal vision of global unity is oppressively only for markets, not for people.

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Oppressors plan to grab more power and wealth in such a way as to make executing their dreams less inconvenient, which typically means reducing resistance from those they intend to oppress. For instance, there exists a worldwide political system we may call “global Dark oppression,” a condition in which all people whom global society classes as black, brown, or red are systematically harmed and exploited by the current world neoliberal order. For distributive justice to be global in scope, global racial oppression thus compels that justice must be global.

Methodological and Theoretical Stopping Points

Critical social theories conceptualize the structures of domination and resistance. They point to forms of oppression and domination contrasted to forces of resistance that can serve as instruments of change. [. . .] Thus, critical social theories are weapons of critique and instruments of practice as well as cognitive maps. [. . .] If a theory illuminates a phenomenon . . . and produces altered reception of it (or perhaps rejection), or inspires the production of oppositional . . . practices, then the theory turns out to be valuable both in its theoretical and practical effects.

-- Douglas Kellner (1995, 25-27)

Oppression is a concept that describes a relationship of dominance and subordination between categories of people in which one benefits from the systematic abuse, exploitation, and injustice directed toward the other. Because social oppression describes relationships between categories of people, it should not be confused with the oppressive behavior of individuals. In social oppression, all members of dominant and subordinate categories participate regardless of the individual attitudes or behavior. Oppressors plan to grab more power and wealth in such a way as to make executing their dreams less inconvenient, which typically means reducing resistance from those they intend to oppress.

Historical materialist analysis, often thought to have been discredited by the fall of communism and the rise of neoliberalism, in fact is strongly vindicated by its ability to explain the neoliberal project and its relation to legalized global oppression. Neoliberalism is the project of systematic deregulation of economic, political social life by freeing it from legal and regularity constraints to allow market-based institutions to flourish. Frequently, however, they do not flourish, as historical materialism predicts, and neoliberal deregulation predicts this and explains why. When they do not, as in the financial crisis, the deregulated private institutions turn to the state for bailout and insurance, which is forthcoming in a characteristically minimally regulated manner. The benefits of neoliberalism

accrue to a small minority at the expense of the majority, as one would expect from historical materialism, while the law, in what historical materialism calls ideology, false belief distorted by class interest, ignores the differences in power and wealth aggravated by neoliberal policies at the expense of democratic decision-making. Hence, visible and invisible cages trap human beings like guinea pigs in the dehumanizing experiments of oppressive global capitalism and new imperialism. Huddled against the economic bars of neoliberal policies or the physical bars of secret super-prisons, people throughout the world live in fear. Some, like many Americans, fear freedom; others fear state-sponsored terrorism and pogroms of violence.

a) What is the Dialectical Materialist Method?

Since the beginning of recorded history, people have been striving to answer essential questions about nature and human society. In earlier times, almost all events in nature were attributed to divine beings or a godlike force. The existing social order that governed the relations between people was explained as part of the same natural order. Things were as the gods or god wanted them to be. While this message may have been beneficial for the ruling classes whose clergy preached that the division between the haves and have-nots was god's will, mystical and impalpable concepts don't shed any scientific light on human existence or why things actually happen.

Marxism is the science of revolutionary social, economic and political change. As with any science, the theory behind it—the formulas and calculations used to form scientific conclusions—is important to understand. Dialectical materialism is the theoretical foundation of Marxism. “For [dialectical philosophy] nothing is final, absolute, sacred. It reveals the transitory character of everything and in everything; nothing can endure before it except the uninterrupted process of becoming and passing away, of endless ascendancy from the lower to the higher,” Fredrick Engels wrote in “The End of Classical German Philosophy.”

Dialectical materialism as a methodology is the combination of dialectics and materialism. It shows that changes in society are not necessarily linear; that history moves forward in fits and starts. Understanding this term necessitates an examination of its component parts. To a dialectical thinker, an entity is not a homogeneous clump of inert matter but a dynamic unity of opposites containing opposing forces within itself that are in continuous struggle against each other. Change occurs as a result of the interaction of these forces; for example, when they become unbalanced and one overpowers the other.

What is materialism?

Materialism argues that the actual reality of the surrounding world determines the way people think and what they believe. In contrast to religious and other “idealist” philosophies, Marx’s materialist conception of history asserted, “it is not the consciousness of men that determines their existence, but their social existence that determines their consciousness.” (Karl Marx, Preface to “A Contribution to the Critique of Political Economy,” 1859)

Historical materialism is the philosophical opposite of idealism. It is directly opposed to idealism, the notion that material reality is created by what people believe or perceive in their minds. Marx also asserted that in all class societies the dominant ideas are the ideas of its ruling class. Racism, sexism, homophobia and national chauvinism are the ideas that the masses of people assimilate from the ruling class, which benefits from the promotion of those ideas. We’ve all heard the basic idealist argument: society won’t change until people’s ideas change. On that line of thinking, activists need to do only educational work or teach in schools.

Materialism shows that the process of humanity’s social development is tied directly with the development of production and technology. Production is the expression of humanity’s ongoing relationship with the world. It is a manifestation of the never-ending battle for survival. Every living organism struggles to survive and thrive, whether simply defying cold weather, eluding predators, searching for food or working in a factory.

Of course, not everyone’s material reality is the same. For the working class, the struggle for basic needs occupies a greater part of life. For the capitalist class of owners, material reality consists of luxury gained by virtue of their social position within the exploitative capitalist economy.

This material reality, according to the materialist worldview, determines how people think about the world. Materialists would reply to those activists who want to change people’s ideas: yes, we want to change people’s ideas. But the only way to do that is to change the material conditions—the way society is organized. In the process of engaging in revolutionary struggle, and eventually in building a new society, people’s ideas definitely will change.

The laws of change

Dialectical thought is merely the reflection of objective dialectics: laws governing the development of nature, the laws of uninterrupted change or, as Darwin discovered, the laws of evolution. According to this view, change occurs in the struggle between opposites. Nothing exists without opposition. When opposites confront each other, changes occur. A central law in dialectics is the transformation of “quantity into quality” —that a change of the amount

(quantity) will eventually bring about a material change in the whole make-up of something (quality).

One of the most practical examples of the transformation from quantity into quality can be seen in nature with water. A change in the temperature of water is a change in quantity. If the temperature gets colder, but is still above freezing, the water stays in liquid form. As the temperature continues to drop, the water eventually will freeze. At that point, the water has changed to ice—from liquid to a solid state. The cause of the change is the drop in temperature; the change from liquid to solid is a qualitative change. In the other direction, when water heats and boils at 212 degrees Fahrenheit it passes through a qualitative alteration and becomes steam.

In society, social change occurs in the conflict between opposing classes—in capitalist society, between the working class and the capitalist class. The conflict breaks out on a day-to-day basis—protests, strikes, pickets and so forth. But when these protests come together in a united political movement against the capitalist class, a quantity of struggles can bring about a qualitative change—a revolution. The analysis incorporated in dialectics, combined with materialism, is the basis for the Marxist view of the world.

Dialectical and Historical Materialism

Dialectical materialism is the world outlook of the Marxist-Leninist party. It is called dialectical materialism because its approach to the phenomena of nature, its method of studying and apprehending them, is *dialectical*, while its interpretation of the phenomena of nature, its conception of these phenomena, its theory, is *materialistic*. Historical materialism is the extension of the principles of dialectical materialism to the study of social life, an application of the principles of dialectical materialism to the phenomena of the life of society, to the study of society and of its history.

When describing their dialectical method, Marx and Engels usually refer to Hegel as the philosopher who formulated the main features of dialectics. This, however, does not mean that the dialectics of Marx and Engels is identical with the dialectics of Hegel. As a matter of fact, Marx and Engels took from the Hegelian dialectics only its “rational kernel,” casting aside its Hegelian idealistic shell, and developed dialectics further so as to lend it a modern scientific form.

“My dialectic method,” says Marx, “is not only different from the Hegelian, but is its direct opposite. To Hegel, ... the process of thinking which, under the name of ‘the Idea,’ he even transforms into an independent subject, is the demiurgos (creator) of the real world, and the real world is only the external, phenomenal form of ‘the Idea.’ With me, on the contrary, the ideal is nothing else than the material world reflected by the human mind and translated into

forms of thought” (Marx, Afterword to the Second German Edition of Volume I of *Capital*).

When describing their materialism, Marx and Engels usually refer to Feuerbach as the philosopher who restored materialism to its rights. This, however, does not mean that the materialism of Marx and Engels is identical with Feuerbach’s materialism. As a matter of fact, Marx and Engels took from Feuerbach’s materialism its “inner kernel,” developed it into a scientific-philosophical theory of materialism and cast aside its idealistic and religious-ethical encumbrances. We know that Feuerbach, although he was fundamentally a materialist, objected to the name materialism. Engels more than once declared that “in spite of” the materialist “foundation,” Feuerbach “remained... bound by the traditional idealist fetters,” and that “the real idealism of Feuerbach becomes evident as soon as we come to his philosophy of religion and ethics” (Marx and Engels, Vol. XIV, pp. 652-54).

Dialectics comes from the Greek *dialogo*, to discourse, to debate. In ancient times dialectics was the art of arriving at the truth by disclosing the contradictions in the argument of an opponent and overcoming these contradictions. There were philosophers in ancient times who believed that the disclosure of contradictions in thought and the clash of opposite opinions was the best method of arriving at the truth. This dialectical method of thought, later extended to the phenomena of nature, developed into the dialectical method of apprehending nature, which regards the phenomena of nature as being in constant movement and undergoing constant change, and the development of nature as the result of the development of the contradictions in nature, as the result of the interaction of opposed forces in nature.

In its essence, dialectics is the direct opposite of metaphysics.

1) Marxist Dialectical Method

The principal features of the Marxist dialectical method are as follows:

a) Nature Connected and Determined

Contrary to metaphysics, dialectics does not regard nature as an accidental agglomeration of things, of phenomena, unconnected with, isolated from, and independent of, each other, but as a connected and integral whole, in which things, phenomena are organically connected with, dependent on, and determined by, each other.

The dialectical method therefore holds that no phenomenon in nature can be understood if taken by itself, isolated from surrounding phenomena, inasmuch as any phenomenon in any realm of nature may become meaningless to us if it is not considered in connection with the surrounding conditions, but divorced from them; and that, vice versa, any phenomenon can be understood

and explained if considered in its inseparable connection with surrounding phenomena, as one conditioned by surrounding phenomena.

b) Nature is a State of Continuous Motion and Change

Contrary to metaphysics, dialectics holds that nature is not a state of rest and immobility, stagnation and immutability, but a state of continuous movement and change, of continuous renewal and development, where something is always arising and developing, and something always disintegrating and dying away. The dialectical method therefore requires that phenomena should be considered not only from the standpoint of their interconnection and interdependence, but also from the standpoint of their movement, their change, their development, their coming into being and going out of being. The dialectical method regards as important primarily not that which at the given moment seems to be durable and yet is already beginning to die away, but that which is arising and developing, even though at the given moment it may appear to be not durable, for the dialectical method considers invincible only that which is arising and developing.

“All nature”, says Engels, “from the smallest thing to the biggest. From grains of sand to suns, from protista (the primary living cells – J. St) to man, has its existence in eternal coming into being and going out of being, in a ceaseless flux, in unresting motion and change” (Ibid., p. 484).

Therefore, dialectics, Engels says, “takes things and their perceptual images essentially in their interconnection, in their concatenation, in their movement, in their rise and disappearance” (Marx and Engels, Vol. XIV, p. 23).

c) Natural Quantitative Change Leads to Qualitative Change

Contrary to metaphysics, dialectics does not regard the process of development as a simple process of growth, where quantitative changes do not lead to qualitative changes, but as a development which passes from insignificant and imperceptible quantitative changes to open’ fundamental changes’ to qualitative changes; a development in which the qualitative changes occur not gradually, but rapidly and abruptly, taking the form of a leap from one state to another; they occur not accidentally but as the natural result of an accumulation of imperceptible and gradual quantitative changes.

The dialectical method therefore holds that the process of development should be understood not as movement in a circle, not as a simple repetition of what has already occurred, but as an onward and upward movement, as a transition from an old qualitative state to a new qualitative state, as a development from the simple to the complex, from the lower to the higher:

“Nature”, says Engels, “is the test of dialectics and it must be said for modern natural science that it has furnished extremely rich and daily increasing materials for this test, and has thus proved that in the last analysis nature’s process is dialectical and not metaphysical, that it does not move in an eternally

uniform and constantly repeated circle but passes through a real history. Here prime mention should be made of Darwin, who dealt a severe blow to the metaphysical conception of nature by proving that the organic world of today, plants and animals, and consequently man too, is all a product of a process of development that has been in progress for millions of years” (Ibid., p. 23).

Describing dialectical development as a transition from quantitative changes to qualitative changes, Engels says:

“In physics ... every change is a passing of quantity into quality, as a result of a quantitative change of some form of movement either inherent in a body or imparted to it. For example, the temperature of water has at first no effect on its liquid state; but as the temperature of liquid water rises or falls, a moment arrives when this state of cohesion changes and the water is converted in one case into steam and in the other into ice.... A definite minimum current is required to make a platinum wire glow; every metal has its melting temperature; every liquid has a definite freezing point and boiling point at a given pressure, as far as we are able with the means at our disposal to attain the required temperatures; finally, every gas has its critical point at which, by proper pressure and cooling, it can be converted into a liquid state.... What are known as the constants of physics (the point at which one state passes into another – J. St). are in most cases nothing but designations for the nodal points at which a quantitative (change) increase or decrease of movement causes a qualitative change in the state of the given body, and at which, consequently, quantity is transformed into quality” (Ibid., pp. 527-28).

Passing to chemistry, Engels continues:

“Chemistry may be called the science of the qualitative changes which take place in bodies as the effect of changes of quantitative composition. His was already known to Hegel.... Take oxygen: if the molecule contains three atoms instead of the customary two, we get ozone, a body definitely distinct in odor and reaction from ordinary oxygen. And what shall we say of the different proportions in which oxygen combines with nitrogen or sulphur, and each of which produces a body qualitatively different from all other bodies!” (Ibid., p. 528).

Finally, criticizing Dühring, who scolded Hegel for all he was worth, but surreptitiously borrowed from him the well-known thesis that the transition from the insentient world to the sentient world, from the kingdom of inorganic matter to the kingdom of organic life, is a leap to a new state, Engels says:

“This is precisely the Hegelian nodal line of measure relations in which at certain definite nodal points, the purely quantitative increase or decrease gives rise to a qualitative leap, for example, in the case of water which is heated or cooled, where boiling point and freezing point are the nodes at which – under normal pressure – the leap to a new aggregate state takes place, and where consequently quantity is transformed into quality” (Ibid., pp. 45-46).

d) Contradictions Inherent in Nature

Contrary to metaphysics, dialectics holds that internal contradictions are inherent in all things and phenomena of nature, for they all have their negative and positive sides, a past and a future, something dying away and something developing; and that the struggle between these opposites, the struggle between the old and the new, between that which is dying away and that which is being born, between that which is disappearing and that which is developing, constitutes the internal content of the process of development, the internal content of the transformation of quantitative changes into qualitative changes.

The dialectical method therefore holds that the process of development from the lower to the higher takes place not as a harmonious unfolding of phenomena, but as a disclosure of the contradictions inherent in things and phenomena, as a “struggle” of opposite tendencies which operate on the basis of these contradictions. “In its proper meaning”, Lenin says, “dialectics is the study of the contradiction *within the very essence of things*” (Lenin, *Philosophical Notebooks*, p. 265).

And further: “Development is the ‘struggle’ of opposites” (Lenin, Vol. XIII, p. 301). Such, in brief, are the principal features of the Marxist dialectical method. It is easy to understand how immensely important is the extension of the principles of the dialectical method to the study of social life and the history of society, and how immensely important is the application of these principles to the history of society and to the practical activities of the party of the proletariat.

If there are no isolated phenomena in the world, if all phenomena are interconnected and interdependent, then it is clear that every social system and every social movement in history must be evaluated not from the standpoint of “eternal justice” or some other preconceived idea, as is not infrequently done by historians, but from the standpoint of the conditions which gave rise to that system or that social movement and with which they are connected.

The slave system would be senseless, stupid and unnatural under modern conditions. But under the conditions of a disintegrating primitive communal system, the slave system is a quite understandable and natural phenomenon, since it represents an advance on the primitive communal system.

The demand for a bourgeois-democratic republic when tsardom and bourgeois society existed, as, let us say, in Russia in 1905, was a quite understandable, proper and revolutionary demand; for at that time a bourgeois republic would have meant a step forward. But now, under the conditions of the U.S.S.R., the demand for a bourgeois-democratic republic would be a senseless and counterrevolutionary demand; for a bourgeois republic would be a retrograde step compared with the Soviet republic.

Everything depends on the conditions, time and place. It is clear that without such a *historical* approach to social phenomena, the existence and development of the science of history is impossible; for only such an approach saves the science of history from becoming a jumble of accidents and an agglomeration of most absurd mistakes. Further, if the world is in a state of constant movement and development, if the dying away of the old and the up growth of the new is a law of development, then it is clear that there can be no “immutable” social systems, no “eternal principles” of private property and exploitation, no “eternal ideas” of the subjugation of the peasant to the landlord, of the worker to the capitalist. Hence, the capitalist system can be replaced by the socialist system, just as at one time the feudal system was replaced by the capitalist system.

Hence, we must not base our orientation on the strata of society which are no longer developing, even though they at present constitute the predominant force, but on those strata which are developing and have a future before them, even though they at present do not constitute the predominant force. In the eighties of the past century, in the period of the struggle between the Marxists and the Narodniks, the proletariat in Russia constituted an insignificant minority of the population, whereas the individual peasants constituted the vast majority of the population. But the proletariat was developing as a class, whereas the peasantry as a class was disintegrating. And just because the proletariat was developing as a class the Marxists based their orientation on the proletariat. And they were not mistaken; for, as we know, the proletariat subsequently grew from an insignificant force into a first-rate historical and political force.

Hence, in order not to err in policy, one must look forward, not backward.

Further, if the passing of slow quantitative changes into rapid and abrupt qualitative changes is a law of development, then it is clear that revolutions made by oppressed classes are a quite natural and inevitable phenomenon. Hence, the transition from capitalism to socialism and the liberation of the working class from the yoke of capitalism cannot be effected by slow changes, by reforms, but only by a qualitative change of the capitalist system, by revolution. Hence, in order not to err in policy, one must be a revolutionary, not a reformist. Further, if development proceeds by way of the disclosure of internal contradictions, by way of collisions between opposite forces on the basis of these contradictions

and so as to overcome these contradictions, then it is clear that the class struggle of the proletariat is a quite natural and inevitable phenomenon.

Hence, we must not cover up the contradictions of the capitalist system, but disclose and unravel them; we must not try to check the class struggle but carry it to its conclusion. Hence, in order not to err in policy, one must pursue an uncompromising proletarian class policy, not a reformist policy of harmony of the interests of the proletariat and the bourgeoisie, not a compromisers' policy of the "growing" of capitalism into socialism. Such is the Marxist dialectical method when applied to social life, to the history of society. As to Marxist philosophical materialism, it is fundamentally the direct opposite of philosophical idealism.

2) Marxist Philosophical Materialism

The principal features of *Marxist philosophical materialism* are as follows:

a) Materialist

Contrary to idealism, which regards the world as the embodiment of an "absolute idea", a "universal spirit", "consciousness", Marx's philosophical materialism holds that the world is by its very nature *material*, that the multifold phenomena of the world constitute different forms of matter in motion, that interconnection and interdependence of phenomena as established by the dialectical method, are a law of the development of moving matter, and that the world develops in accordance with the laws of movement of matter and stands in no need of a "universal spirit."

"The materialistic outlook on nature", says Engels, "means no more than simply conceiving nature just as it exists, without any foreign admixture" (Marx and Engels, Vol. XIV, p. 651). Speaking of the materialist views of the ancient philosopher Heraclitus, who held that "the world, the all in one, was not created by any god or any man, but was, is and ever will be a living flame, systematically flaring up and systematically dying down" Lenin comments: "A very good exposition of the rudiments of dialectical materialism." (Lenin, *Philosophical Notebooks*, p. 318).

b) Objective Reality

Contrary to idealism, which asserts that only our consciousness really exists, and that the material world, being, nature, exists only in our consciousness' in our sensations, ideas and perceptions, the Marxist philosophical materialism holds that matter, nature, being, is an objective reality existing outside and independent of our consciousness; that matter is primary, since it is the source of sensations, ideas, consciousness, and that consciousness is secondary, derivative, since it is a reflection of matter, a reflection of being; that thought is a product of matter which in its development has reached a high degree of perfection, namely, of the brain, and the brain is the organ of thought; and that

therefore one cannot separate thought from matter without committing a grave error. Engels says:

“The question of the relation of thinking to being, the relation of spirit to nature is the paramount question of the whole of philosophy.... The answers which the philosophers gave to this question split them into two great camps. Those who asserted the primacy of spirit to nature ... comprised the camp of idealism. The others, who regarded nature as primary, belong to the various schools of materialism” (Marx, *Selected Works*, Vol. I, p. 329).

And further:

“The material, sensuously perceptible world to which we ourselves belong is the only reality.... Our consciousness and thinking, however supra-sensuous they may seem, are the product of a material, bodily organ, the brain. Matter is not a product of mind, but mind itself is merely the highest product of matter” (Ibid., p. 332).

Concerning the question of matter and thought, Marx says: “It is *impossible to separate thought from matter that thinks*. Matter is the subject of all changes” (Ibid, p. 302). Describing Marxist philosophical materialism, Lenin says: “Materialism in general recognizes objectively real being (matter) as independent of consciousness, sensation, experience.... Consciousness is only the reflection of being, at best an approximately true (adequate, perfectly exact) reflection of it” (Lenin, Vol. XIII, pp. 266-67).

And further:

– “Matter is that which, acting upon our sense-organs, produces sensation; matter is the objective reality given to us in sensation.... Matter, nature, being, the physical-is primary, and spirit, consciousness, sensation, the psychical-is secondary” (Ibid., pp. 119-20).

– “The world picture is a picture of how matter moves and of how ‘*matter thinks*.’” (Ibid., p. 288).

– “The brain is the organ of thought” (Ibid., p. 125).

c) The World and Its Laws Are Knowable

Contrary to idealism, which denies the possibility of knowing the world and its laws, which does not believe in the authenticity of our knowledge, does not recognize objective truth, and holds that the world is full of “things-in-themselves” that can never be known to science, Marxist philosophical materialism holds that the world and its laws are fully knowable, that our knowledge of the laws of nature, tested by experiment and practice, is authentic knowledge having the validity of objective truth, and that there are no things in

the world which are unknowable, but only things which are as yet not known, but which will be disclosed and made known by the efforts of science and practice.

Criticizing the thesis of Kant and other idealists that the world is unknowable and that there are “things-in-themselves”, which are unknowable, and defending the well-known materialist thesis that our knowledge is authentic knowledge, Engels writes:

“The most telling refutation of this as of all other philosophical crotchets is practice, namely, experiment and industry. If we are able to prove the correctness of our conception of a natural process by making it ourselves, bringing it into being out of its conditions and making it serve our own purposes into the bargain, then there is an end to the Kantian ungraspable ‘thing-in-itself.’ The chemical substances produced in the bodies of plants and animals remained such ‘things-in-themselves’ until organic chemistry began to produce them one after another, whereupon the ‘thing-in-itself’ became a thing for us, as, for instance, alizarin, the coloring matter of the madder, which we no longer trouble to grow in the madder roots in the field, but produce much more cheaply and simply from coal tar. For 300 years the Copernican solar system was a hypothesis with a hundred, a thousand or ten thousand chances to one in its favor, but still always a hypothesis. But when Leverrier, by means of the data provided by this system, not only deduced the necessity of the existence of an unknown planet, but also calculated the position in the heavens which this planet must necessarily occupy, and when Galle really found this planet, the Copernican system was proved.” (Marx, *Selected Works*, Vol. I, p. 330).

Accusing Bogdanov, Bazarov, Yushkevich and the other followers of Mach of fideism (a reactionary theory, which prefers faith to science) and defending the well-known materialist thesis that our scientific knowledge of the laws of nature is authentic knowledge, and that the laws of science represent objective truth, Lenin says:

“Contemporary fideism does not at all reject science; all it rejects is the ‘exaggerated claims’ of science, to wit, its claim to objective truth. If objective truth exists (as the materialists think), if natural science, reflecting the outer world in human ‘experience’, is alone capable of giving us objective truth, then all fideism is absolutely refuted.” (Lenin, Vol. XIII, p. 102).

Such, in brief, are the characteristic features of the Marxist philosophical materialism. It is easy to understand how immensely important is the extension of the principles of philosophical materialism to the study of social life, of the history of society, and how immensely important is the application of these

principles to the history of society and to the practical activities of the party of the proletariat.

If the connection between the phenomena of nature and their interdependence are laws of the development of nature, it follows, too, that the connection and interdependence of the phenomena of social life are laws of the development of society, and not something accidental. Hence, social life, the history of society, ceases to be an agglomeration of “accidents”, for the history of society becomes a development of society according to regular laws, and the study of the history of society becomes a science. Hence, the practical activity of the party of the proletariat must not be based on the good wishes of “outstanding individuals”, not on the dictates of “reason”, “universal morals”, etc., but on the laws of development of society and on the study of these laws.

Further, if the world is knowable and our knowledge of the laws of development of nature is authentic knowledge, having the validity of objective truth, it follows that social life, the development of society, is also knowable, and that the data of science regarding the laws of development of society are authentic data having the validity of objective truths. Hence, the science of the history of society, despite all the complexity of the phenomena of social life, can become as precise a science as, let us say, biology, and capable of making use of the laws of development of society for practical purposes. Hence, the party of the proletariat should not guide itself in its practical activity by casual motives, but by the laws of development of society, and by practical deductions from these laws. And thence, socialism is converted from a dream of a better future for humanity into a science. Hence, the bond between science and practical activity, between theory and practice, their unity, should be the guiding star of the party of the proletariat.

Further, if nature, being, the material world, is primary, and consciousness, thought, is secondary, derivative; if the material world represents objective reality existing independently of the consciousness of men, while consciousness is a reflection of this objective reality, it follows that the material life of society, its being, is also primary, and its spiritual life secondary, derivative, and that the material life of society is an objective reality existing independently of the will of men, while the spiritual life of society is a reflection of this objective reality, a reflection of being. Hence, the source of formation of the spiritual life of society, the origin of social ideas, social theories, political views and political institutions, should not be sought for in the ideas, theories, views and political institutions themselves, but in the conditions of the material life of society, in social being, of which these ideas, theories, views, etc., are the reflection.

Hence, if in different periods of the history of society different social ideas, theories, views and political institutions are to be observed; if under the slave system we encounter certain social ideas, theories, views and political

institutions, under feudalism others, and under capitalism others still, this is not to be explained by the “nature” “the “properties” of the ideas, theories, views and political institutions themselves but by the different conditions of the material life of society at different periods of social development. Whatever is the being of a society, whatever are the conditions of material life of a society, such are the ideas, theories political views and political institutions of that society.

In this connection, Marx says:

“It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness.” (Marx *Selected Works*, Vol. I, p. 269). Hence, in order not to err in policy, in order not to find itself in the position of idle dreamers, the party of the proletariat must not base its activities on abstract “principles of human reason”, but on the concrete conditions of the material life of society, as the determining force of social development; not on the good wishes of “great men”, but on the real needs of development of the material life of society.

The fall of the utopians, including the Narodniks, anarchists and Socialist-Revolutionaries, was due, among other things to the fact that they did not recognize the primary role which the conditions of the material life of society play in the development of society, and, sinking to idealism, did not base their practical activities on the needs of the development of the material life of society, but, independently of and in spite of these needs, on “ideal plans” and “all-embracing projects”, divorced from the real life of society. The strength and vitality of Marxism-Leninism lies in the fact that it does base its practical activity on the needs of the development of the material life of society and never divorces itself from the real life of society.

It does not follow from Marx’s words, however, that social ideas, theories, political views and political institutions are of no significance in the life of society, that they do not reciprocally affect social being, the development of the material conditions of the life of society. We have been speaking so far of the origin of social ideas, theories, views and political institutions, of the way they arise, of the fact that the spiritual life of society is a reflection of the conditions of its material life. As regards the significance of social ideas, theories, views and political institutions, as regards their role in history, historical materialism, far from denying them, stresses the important role and significance of these factors in the life of society, in its history.

There are different kinds of social ideas and theories. There are old ideas and theories which have outlived their day and which serve the interests of the moribund forces of society. Their significance lies in the fact that they hamper the development, the progress of society. Then there are new and advanced ideas and theories which serve the interests of the advanced forces of society.

Their significance lies in the fact that they facilitate the development, the progress of society; and their significance is the greater the more accurately they reflect the needs of development of the material life of society.

New social ideas and theories arise only after the development of the material life of society has set new tasks before society. But once they have arisen they become a most potent force which facilitates the carrying out of the new tasks set by the development of the material life of society, a force which facilitates the progress of society. It is precisely here that the tremendous organizing, mobilizing and transforming value of new ideas, new theories, new political views and new political institutions manifests itself. New social ideas and theories arise precisely because they are necessary to society, because it is impossible to carry out the urgent tasks of development of the material life of society without their organizing, mobilizing and transforming action. Arising out of the new tasks set by the development of the material life of society, the new social ideas and theories force their way through, become the possession of the masses, mobilize and organize them against the moribund forces of society, and thus facilitate the overthrow of these forces, which hamper the development of the material life of society.

Thus social ideas, theories and political institutions, having arisen on the basis of the urgent tasks of the development of the material life of society, the development of social being, themselves then react upon social being, upon the material life of society, creating the conditions necessary for completely carrying out the urgent tasks of the material life of society, and for rendering its further development possible.

In this connection, Marx says:

“Theory becomes a material force as soon as it has gripped the masses.” (Marx and Engels, Vol. I, p. 406). Hence, in order to be able to influence the conditions of material life of society and to accelerate their development and their improvement, the party of the proletariat must rely upon such a social theory, such a social idea as correctly reflects the needs of development of the material life of society, and which is therefore capable of setting into motion broad masses of the people and of mobilizing them and organizing them into a great army of the proletarian party, prepared to smash the reactionary forces and to clear the way for the advanced forces of society.

The fall of the “Economists” and the Mensheviks was due, among other things, to the fact that they did not recognize the mobilizing, organizing and transforming role of advanced theory, of advanced ideas and, sinking to vulgar materialism, reduced the role of these factors almost to nothing, thus condemning the Party to passivity and inaction. The strength and vitality of Marxism-Leninism is derived from the fact that it relies upon an advanced theory which correctly reflects the needs of development of the material life of

society, that it elevates theory to a proper level, and that it deems it its duty to utilize every ounce of the mobilizing, organizing and transforming power of this theory. That is the answer historical materialism gives to the question of the relation between social being and social consciousness, between the conditions of development of material life and the development of the spiritual life of society.

3) *Historical Materialism.*

It now remains to elucidate the following question: What, from the viewpoint of historical materialism, is meant by the “conditions of material life of society” which in the final analysis determine the physiognomy of society, its ideas, views, political institutions, etc.? What, after all, are these “conditions of material life of society”, what are their distinguishing features?

There can be no doubt that the concept “conditions of material life of society” includes, first of all, nature which surrounds society, geographical environment, which is one of the indispensable and constant conditions of material life of society and which, of course, influences the development of society. What role does geographical environment play in the development of society? Is geographical environment the chief force determining the physiognomy of society, the character of the social system of man, the transition from one system to another, or isn't it? Historical materialism answers this question in the negative.

Geographical environment is unquestionably one of the constant and indispensable conditions of development of society and, of course, influences the development of society, accelerates or retards its development. But its influence is not the *determining* influence, inasmuch as the changes and development of society proceed at an incomparably faster rate than the changes and development of geographical environment. In the space of 3000 years three different social systems have been successively superseded in Europe: the primitive communal system, the slave system and the feudal system. In the eastern part of Europe, in the U.S.S.R., even four social systems have been superseded. Yet during this period geographical conditions in Europe have either not changed at all, or have changed so slightly that geography takes no note of them. And that is quite natural. Changes in geographical environment of any importance require millions of years, whereas a few hundred or a couple of thousand years are enough for even very important changes in the system of human society.

It follows from this that geographical environment cannot be the chief cause, the *determining* cause of social development; for that which remains almost unchanged in the course of tens of thousands of years cannot be the chief cause of development of that which undergoes fundamental changes in the course of

a few hundred years. Further, there can be no doubt that the concept “conditions of material life of society” also includes growth of population, density of population of one degree or another; for people are an essential element of the conditions of material life of society, and without a definite minimum number of people there can be no material life of society. Is growth of population the chief force that determines the character of the social system of man, or isn't it?

Historical materialism answers this question too in the negative. Of course, growth of population does influence the development of society, does facilitate or retard the development of society, but it cannot be the chief force of development of society, and its influence on the development of society cannot be the *determining* influence because, by itself, growth of population does not furnish the clue to the question why a given social system is replaced precisely by such and such a new system and not by another, why the primitive communal system is succeeded precisely by the slave system, the slave system by the feudal system, and the feudal system by the bourgeois system, and not by some other.

If growth of population were the determining force of social development, then a higher density of population would be bound to give rise to a correspondingly higher type of social system. But we do not find this to be the case. The density of population in China is four times as great as in the U.S.A., yet the U.S.A. stands higher than China in the scale of social development; for in China a semi-feudal system still prevails, whereas the U.S.A. has long ago reached the highest stage of development of capitalism. The density of population in Belgium is 19 times as great as in the U.S.A., and 26 times as great as in the U.S.S.R. Yet the U.S.A. stands higher than Belgium in the scale of social development; and as for the U.S.S.R., Belgium lags a whole historical epoch behind this country, for in Belgium the capitalist system prevails, whereas the U.S.S.R. has already done away with capitalism and has set up a socialist system. It follows from this that growth of population is not, and cannot be, the chief force of development of society, the force which *determines* the character of the social system, the physiognomy of society.

a) What Is the Chief Determinant Force?

What, then, is the chief force in the complex of conditions of material life of society which determines the physiognomy of society, the character of the social system, the development of society from one system to another? This force, historical materialism holds, is the *method of procuring the means of life* necessary for human existence, the *mode of production of material values* – food, clothing, footwear, houses, fuel, instruments of production, etc. – which are indispensable for the life and development of society.

In order to live, people must have food, clothing, footwear, shelter, fuel, etc.; in order to have these material values, people must produce them; and in order to produce them, people must have the instruments of production with which food, clothing, footwear, shelter, fuel, etc., are produced, they must be able to produce these instruments and to use them. The *instruments of production* wherewith material values are produced, the *people* who operate the instruments of production and carry on the production of material values thanks to a certain *production experience* and *labor skill* – all these elements jointly constitute the *productive forces* of society.

But the productive forces are only one aspect of production, only one aspect of the mode of production, an aspect that expresses the relation of men to the objects and forces of nature which they make use of for the production of material values. Another aspect of production, another aspect of the mode of production, is the relation of men to each other in the process of production, men's *relations of production*.

Men carry on a struggle against nature and utilize nature for the production of material values not in isolation from each other, not as separate individuals, but in common, in groups, in societies. Production, therefore, is at all times and under all conditions social production. In the production of material values men enter into mutual relations of one kind or another within production, into relations of production of one kind or another. These may be relations of co-operation and mutual help between people who are free from exploitation; they may be relations of domination and subordination; and, lastly, they may be transitional from one form of relations of production to another. But whatever the character of the relations of production may be, always and in every system they constitute just as essential an element of production as the productive forces of society.

“In production”, Marx says, “men not only act on nature but also on one another. They produce only by co-operating in a certain way and mutually exchanging their activities. In order to produce, they enter into definite connections and relations with one another and only within these social connections and relations does their action on nature, does production, take place.” (Marx and Engels, Vol. V, p. 429). Consequently, production, the mode of production, embraces both the productive forces of society and men's relations of production, and is thus the embodiment of their unity in the process of production of material values.

The concept of fuzzy logic illustrates the key difference between human logic and digital computer logic. The computer, as a force of production, organizes its information into absolute categories with rigid boundary lines; the human mind is capable of processing a great deal of contradictory information

without breaking down. It is somewhat ironic that the human mind's capacity for fuzzy thinking is its greatest asset.

Let me hasten to assure you that I'm not recommending fuzzy thinking as a general method. But it is important to guard against overly formalistic thinking, especially in politics. Those who demand absolutely unambiguous political situations before they will take action will wind up never taking action. That is a characteristic of sectarians, and it illustrates the link between formal logic and sectarian politics. The experience of the past decade or so has shown that no matter how powerful a computer is, no matter how fast it can crunch numbers, there are certain kinds of problems that humans can handle better. The difference is that humans are capable of dialectical logic.

Computers can be programmed to play a pretty good game of chess. But when someone once compared political strategy to a game of chess, Trotsky pointed out the weakness of the analogy. In chess the rules always remain the same and the pieces maintain stable identities, whereas in political struggles the strength of contending forces varies and the rules change continuously. A computer does well in chess because its strongest virtue is its consistency. But in a rapidly changing political situation, absolute consistency can be too much of a good thing. I think that is what Emerson must have meant when he said, "A foolish consistency is the hobgoblin of little minds." A computer cannot therefore handle contradictions. Humans do!

b) The First Feature of Production

The *first feature* of production is that it never stays at one point for a long time and is always in a state of change and development, and that, furthermore, changes in the mode of production inevitably call forth changes in the whole social system, social ideas, political views and political institutions – they call forth a reconstruction of the whole social and political order. At different stages of development people make use of different modes of production, or, to put it more crudely, lead different manners of life. In the primitive commune there is one mode of production, under slavery there is another mode of production, under feudalism a third mode of production and so on. And, correspondingly, men's social system, the spiritual life of men, their views and political institutions also vary.

Whatever is the mode of production of a society, such in the main is the society itself, its ideas and theories, its political views and institutions. Or, to put it more crudely, whatever is man's manner of life such is his manner of thought. This means that the history of development of society is above all the history of the development of production, the history of the modes of production which succeed each other in the course of centuries, the history of the development of productive forces and of people's relations of production. Hence, the history of

social development is at the same time the history of the producers of material values themselves, the history of the laboring masses, who are the chief force in the process of production and who carry on the production of material values necessary for the existence of society.

Hence, if historical science is to be a real science, it can no longer reduce the history of social development to the actions of kings and generals, to the actions of “conquerors” and “subjugators” of states, but must above all devote itself to the history of the producers of material values, the history of the laboring masses, the history of peoples. Hence, the clue to the study of the laws of history of society must not be sought in men’s minds, in the views and ideas of society, but in the mode of production practiced by society in any given historical period; it must be sought in the economic life of society.

Hence, the prime task of historical science is to study and disclose the laws of production, the laws of development of the productive forces and of the relations of production, the laws of economic development of society. Hence, if the party of the proletariat is to be a real party, it must above all acquire a knowledge of the laws of development of production, of the laws of economic development of society. Hence, if it is not to err in policy, the party of the proletariat must both in drafting its program and in its practical activities proceed primarily from the laws of development of production from the laws of economic development of society.

c) The Second Feature of Production

The *second feature* of production is that its changes and development always begin with changes and development of the productive forces, and in the first place, with changes and development of the instruments of production. Productive forces are therefore the most mobile and revolutionary element of productions First the productive forces of society change and develop, and then, *depending* on these changes and *in conformity with them*, men’s relations of production, their economic relations, change. This, however, does not mean that the relations of production do not influence the development of the productive forces and that the latter are not dependent on the former. While their development is dependent on the development of the productive forces, the relations of production in their turn react upon the development of the productive forces, accelerating or retarding it.

In this connection it should be noted that the relations of production cannot for too long a time lag behind and be in a state of contradiction to the growth of the productive forces, inasmuch as the productive forces can develop in full measure only when the relations of production correspond to the character, the state of the productive forces and allow full scope for their development. Therefore, however much the relations of production may lag behind the

development of the productive forces, they must, sooner or later, come into correspondence with – and actually do come into correspondence with – the level of development of the productive forces, the character of the productive forces. Otherwise we would have a fundamental violation of the unity of the productive forces and the relations of production within the system of production, a disruption of production as a whole, a crisis of production, a destruction of productive forces.

An instance in which the relations of production do not correspond to the character of the productive forces, conflict with them, is the economic crises in capitalist countries, where private capitalist ownership of the means of production is in glaring incongruity with the social character of the process of production, with the character of the productive forces. This results in economic crises, which lead to the destruction of productive forces. Furthermore, this incongruity itself constitutes the economic basis of social revolution, the purpose of which IS to destroy the existing relations of production and to create new relations of production corresponding to the character of the productive forces.

In contrast, an instance in which the relations of production completely correspond to the character of the productive forces is the socialist national economy of the U.S.S.R., where the social ownership of the means of production fully corresponds to the social character of the process of production, and where, because of this, economic crises and the destruction of productive forces are unknown. Consequently, the productive forces are not only the most mobile and revolutionary element in production, but are also the determining element in the development of production. Whatever are the productive forces such must be the relations of production.

While the state of the productive forces furnishes the answer to the question—with what instruments of production do men produce the material values they need? —the state of the relations of production furnishes the answer to another question—who owns the *means of production* (the land, forests, waters, mineral resources, raw materials, instruments of production, production premises, means of transportation and communication, etc.),, who commands the means of production, whether the whole of society, or individual persons, groups, or classes which utilize them for the exploitation of other persons, groups or classes?

Here is a rough picture of the development of productive forces from ancient times to our day. The transition from crude stone tools to the bow and arrow, and the accompanying transition from the life of hunters to the domestication of animals and primitive pasturage; the transition from stone tools to metal tools (the iron axe, the wooden plow fitted with an iron coulter, etc.),, with a corresponding transition to tillage and agriculture; a further

improvement in metal tools for the working up of materials, the introduction of the blacksmith's bellows, the introduction of pottery, with a corresponding development of handicrafts, the separation of handicrafts from agriculture, the development of an independent handicraft industry and, subsequently, of manufacture; the transition from handicraft tools to machines and the transformation of handicraft and manufacture into machine industry; the transition to the machine system and the rise of modern large-scale machine industry – such is a general and far from complete picture of the development of the productive forces of society in the course of man's history.

It will be clear that the development and improvement of the instruments of production was effected by men who were related to production, and not independently of men; and, consequently, the change and development of the instruments of production was accompanied by a change and development of men, as the most important element of the productive forces, by a change and development of their production experience, their labor skill, their ability to handle the instruments of production. In conformity with the change and development of the productive forces of society in the course of history, men's relations of production, their economic relations also changed and developed.

Main types of Relations of Production

Five *main* types of relations of production are known to history: primitive communal, slave, feudal, capitalist and socialist. The basis of the relations of production under the primitive communal system is that the means of production are socially owned. This in the main corresponds to the character of the productive forces of that period. Stone tools, and, later, the bow and arrow, precluded the possibility of men individually combating the forces of nature and beasts of prey. In order to gather the fruits of the forest, to catch fish, to build some sort of habitation, men were obliged to work in common if they did not want to die of starvation, or fall victim to beasts of prey or to neighboring societies. Labor in common led to the common ownership of the means of production, as well as of the fruits of production. Here the conception of private ownership of the means of production did not yet exist, except for the personal ownership of certain implements of production which were at the same time means of defense against beasts of prey. Here there was no exploitation, no classes.

The basis of the relations of production under the slave system is that the slave-owner owns the means of production, he also owns the worker in production – the slave, whom he can sell, purchase, or kill as though he were an animal. Such relations of production in the main correspond to the state of the productive forces of that period. Instead of stone tools, men now have metal tools at their command; instead of the wretched and primitive husbandry of the

hunter, who knew neither pasturage nor tillage, there now appear pasturage tillage, handicrafts, and a division of labor between these branches of production.

There appears the possibility of the exchange of products between individuals and between societies, of the accumulation of wealth in the hands of a few, the actual accumulation of the means of production in the hands of a minority, and the possibility of subjugation of the majority by a minority and the conversion of the majority into slaves. Here we no longer find the common and free labor of all members of society in the production process—here there prevails the forced labor of slaves, who are exploited by the non-laboring slave-owners. Here, therefore, there is no common ownership of the means of production or of the fruits of production. It is replaced by private ownership. Here the slaveowner appears as the prime and principal property owner in the full sense of the term. Rich and poor, exploiters and exploited, people with full rights and people with no rights, and a fierce class struggle between them—such is the picture of the slave system.

The basis of the relations of production under the feudal system is that the feudal lord owns the means of production and does not fully own the worker in production—the serf, whom the feudal lord can no longer kill, but whom he can buy and sell. Alongside of feudal ownership there exists individual ownership by the peasant and the craftsman of his implements of production and his private enterprise based on his personal labor. Such relations of production in the main correspond to the state of the productive forces of that period. Further improvements in the smelting and working of iron; the spread of the iron plow and the loom; the further development of agriculture, horticulture, viniculture and dairying; the appearance of manufactories alongside of the handicraft workshops—such are the characteristic features of the state of the productive forces.

The new productive forces demand that the laborer shall display some kind of initiative in production and an inclination for work, an interest in work. The feudal lord therefore discards the slave, as a laborer who has no interest in work and is entirely without initiative, and prefers to deal with the serf, who has his own husbandry, implements of production, and a certain interest in work essential for the cultivation of the land and for the payment in kind of a part of his harvest to the feudal lord. Here private ownership is further developed. Exploitation is nearly as severe as it was under slavery—it is only slightly mitigated. A class struggle between exploiters and exploited is the principal feature of the feudal system.

The basis of the relations of production under the capitalist system is that the capitalist owns the means of production, but not the workers in production – the wage laborers, whom the capitalist can neither kill nor sell because they

are personally free, but who are deprived of means of production and) in order not to die of hunger, are obliged to sell their labor power to the capitalist and to bear the yoke of exploitation. Alongside of capitalist property in the means of production, we find, at first on a wide scale, private property of the peasants and handicraftsmen in the means of production, these peasants and handicraftsmen no longer being serfs, and their private property being based on personal labor. In place of the handicraft workshops and manufactories there appear huge mills and factories equipped with machinery. In place of the manorial estates tilled by the primitive implements of production of the peasant, there now appear large capitalist farms run on scientific lines and supplied with agricultural machinery.

The new productive forces require that the workers in production shall be better educated and more intelligent than the downtrodden and ignorant serfs, that they be able to understand machinery and operate it properly. Therefore, the capitalists prefer to deal with wage-workers, who are free from the bonds of serfdom and who are educated enough to be able properly to operate machinery.

But having developed productive forces to a tremendous extent, capitalism has become enmeshed in contradictions which it is unable to solve. By producing larger and larger quantities of commodities, and reducing their prices, capitalism intensifies competition, ruins the mass of small and medium private owners, converts them into proletarians and reduces their purchasing power, with the result that it becomes impossible to dispose of the commodities produced. On the other hand, by expanding production and concentrating millions of workers in huge mills and factories, capitalism lends the process of production a social character and thus undermines its own foundation, inasmuch as the social character of the process of production demands the social ownership of the means of production; yet the means of production remain private capitalist property, which is incompatible with the social character of the process of production.

These irreconcilable contradictions between the character of the productive forces and the relations of production make themselves felt in periodical crises of over-production, when the capitalists, finding no effective demand for their goods owing to the ruin of the mass of the population which they themselves have brought about, are compelled to burn products, destroy manufactured goods, suspend production, and destroy productive forces at a time when millions of people are forced to suffer unemployment and starvation, not because there are not enough goods, but because there is an overproduction of goods.

This means that the capitalist relations of production have ceased to correspond to the state of productive forces of society and have come into irreconcilable contradiction with them. This means that capitalism is pregnant

with revolution, whose mission it is to replace the existing capitalist ownership of the means of production by socialist ownership. This means that the main feature of the capitalist system is a most acute class struggle between the exploiters and the exploited.

The basis of the relations of production under the socialist system, which so far has been established only in the U.S.S.R., is the social ownership of the means of production. Here there are no longer exploiters and exploited. The goods produced are distributed according to labor performed, on the principle: "He who does not work, neither shall he eat." Here the mutual relations of people in the process of production are marked by comradely cooperation and the socialist mutual assistance of workers who are free from exploitation. Here the relations of production fully correspond to the state of productive forces; for the social character of the process of production is reinforced by the social ownership of the means of production. For this reason socialist production in the U.S.S.R. knows no periodical crises of over-production and their accompanying absurdities.

For this reason, the productive forces here develop at an accelerated pace; for the relations of production that correspond to them offer full scope for such development. Such is the picture of the development of men's relations of production in the course of human history. Such is the dependence of the development of the relations of production on the development of the productive forces of society, and primarily, on the development of the instruments of production, the dependence by virtue of which the changes and development of the productive forces sooner or later lead to corresponding changes and development of the relations of production.

"The use and fabrication of instruments of labor," says Marx, "although existing in the germ among certain species of animals, is specifically characteristic of the human labor-process, and Franklin therefore defines man as a tool-making animal. Relics of bygone instruments of labor possess the same importance for the investigation of extinct economical forms of society, as do fossil bones for the determination of extinct species of animals. It is not the articles made, but how they are made that enables us to distinguish different economical epochs. Instruments of labor not only supply a standard of the degree of development to which human labor has attained, but they are also indicators of the social conditions under which that labor is carried on." (Marx, *Capital*, Vol. I, 1935, p. 121).

And further:

– "Social relations are closely bound up with productive forces. In acquiring new productive forces men change their mode of production; and in changing their mode of production, in changing the way of earning their living, they change all their social relations. The hand-mill gives you society with the feudal

lord; the steam-mill, society with the industrial capitalist.” (Marx and Engels, Vol. V, p. 564).

– “There is a continual movement of growth in productive forces, of destruction in social relations, of formation in ideas; the only immutable thing is the abstraction of movement.” (Ibid., p. 364).

Speaking of historical materialism as formulated in *The Communist Manifesto*, Engels says:

“ Economic production and the structure of society of every historical epoch necessarily arising therefrom constitute the foundation for the political and intellectual history of that epoch; ... consequently (ever since the dissolution of the primeval communal ownership of land) all history has been a history of class struggles, of struggles between exploited and exploiting, between dominated and dominating classes at various stages of social development; ... this struggle, however, has now reached a stage where the exploited and oppressed class (the proletariat) can no longer emancipate itself from the class which exploits and oppresses it (the bourgeoisie), without at the same time for ever freeing the whole of society from exploitation, oppression and class struggles....” (Engels’ Preface to the German Edition of the *Manifesto*).

d) The Third Feature of Production

The *third feature* of production is that the rise of new productive forces and of the relations of production corresponding to them does not take place separately from the old system, after the disappearance of the old system, but within the old system; it takes place not as a result of the deliberate and conscious activity of man, but spontaneously, unconsciously, independently of the will of man. It takes place spontaneously and independently of the will of man for two reasons.

Firstly, because men are not free to choose one mode of production or another, because as every new generation enters life it finds productive forces and relations of production already existing as the result of the work of former generations, owing to which it is obliged at first to accept and adapt itself to everything it finds ready-made in the sphere of production in order to be able to produce material values.

Secondly, because, when improving one instrument of production or another, one element of the productive forces or another, men do not realize, do not understand or stop to reflect what social results these improvements will lead to, but only think of their everyday interests, of lightening their labor and of securing some direct and tangible advantage for themselves.

When, gradually and gropingly, certain members of primitive communal society passed from the use of stone tools to the use of iron tools, they, of course, did not know and did not stop to reflect what social results this

innovation would lead to; they did not understand or realize that the change to metal tools meant a revolution in production, that it would in the long run lead to the slave system. They simply wanted to lighten their labor and secure an immediate and tangible advantage; their conscious activity was confined within the narrow bounds of this everyday personal interest.

When, in the period of the feudal system, the young bourgeoisie of Europe began to erect, alongside of the small guild workshops, large manufactories, and thus advanced the productive forces of society, it, of course, did not know and did not stop to reflect what *social* consequences this innovation would lead to; it did not realize or understand that this “small” innovation would lead to a regrouping of social forces which was to end in a revolution both against the power of kings, whose favors it so highly valued, and against the nobility, to whose ranks its foremost representatives not infrequently aspired. It simply wanted to lower the cost of producing goods, to throw larger quantities of goods on the markets of Asia and of recently discovered America, and to make bigger profits. Its conscious activity was confined within the narrow bounds of this commonplace practical aim.

When the Russian capitalists, in conjunction with foreign capitalists, energetically implanted modern large-scale machine industry in Russia, while leaving tsardom intact and turning the peasants over to the tender mercies of the landlords, they, of course, did not know and did not stop to reflect what *social* consequences this extensive growth of productive forces would lead to; they did not realize or understand that this big leap in the realm of the productive forces of society would lead to a regrouping of social forces that would enable the proletariat to effect a union with the peasantry and to bring about a victorious socialist revolution. They simply wanted to expand industrial production to the limit, to gain control of the huge home market, to become monopolists, and to squeeze as much profit as possible out of the national economy. Their conscious activity did not extend beyond their commonplace, strictly practical interests.

Accordingly, Marx says:

“In the social production of their life (that is, in the production of the material values necessary to the life of men – J. St.), men enter into definite relations that are indispensable and *independent* of their will, relations of production which correspond to a definite stage of development of their material productive forces.” (Marx, *Selected Works*, Vol. I, p 269). This, however, does not mean that changes in the relations of production, and the transition from old relations of production to new relations of production proceed smoothly, without conflicts, without upheavals. On the contrary such a transition usually takes place by means of the revolutionary overthrow of the old relations of production and the establishment of new relations of

production. Up to a certain period the development of the productive forces and the changes in the realm of the relations of production proceed spontaneously independently of the will of men. But that is so only up to a certain moment, until the new and developing productive forces have reached a proper state of maturity. After the new productive forces have matured, the existing relations of production and their upholders—the ruling classes—become that “insuperable” obstacle which can only be removed by the conscious action of the new classes, by the forcible acts of these classes, by revolution.

Here there stands out in bold relief the *tremendous role* of new social ideas, of new political institutions, of a new political power, whose mission it is to abolish by force the old relations of production. Out of the conflict between the new productive forces and the old relations of production, out of the new economic demands of society, there arise new social ideas; the new ideas organize and mobilize the masses; the masses become welded into a new political army, create a new revolutionary power, and make use of it to abolish by force the old system of relations of production, and to firmly establish the new system. The spontaneous process of development yields place to the conscious actions of men, peaceful development to violent upheaval, evolution to revolution.

“The proletariat”, says Marx, “during its contest with the bourgeoisie is compelled, by the force of circumstances, to organize itself as a class...by means of a revolution, it makes itself the ruling class, and, as such, sweeps away by force the old conditions of production....” (*Manifesto of the Communist Party*, 1938, p. 52).

And further:

– “The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class; and to increase the total of productive forces as rapidly as possible.” (Ibid., p. 50)

– “Force is the midwife of every old society pregnant with a new one.” (Marx, *Capital*, Vol. I, 1955, p. 603).

Here is the formulation – a formulation of genius – of the essence of historical materialism given by Marx in 1859 in his historic Preface to his famous book, *A Contribution to the Critique of Political Economy*:

“In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and

intellectual life process in general. It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness. At a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production, or – what is but a legal expression for the same thing—with the property relations within which they have been at work hitherto.

From forms of development of the productive forces these relations turn into their fetters. Then begins an epoch of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed. In considering such transformations a distinction should always be made between the material transformation of the economic conditions of production, which can be determined with the precision of natural science, and the legal, political, religious, aesthetic or philosophic—in short, ideological forms in which men become conscious of this conflict and fight it out.

Just as our opinion of an individual is not based on what he thinks of himself, so can we not judge of such a period of transformation by its own consciousness; on the contrary this consciousness must be explained rather from the contradictions of material life, from the existing conflict between the social productive forces and the relations of production. No social order ever perishes before all the productive forces for which there is room in it have developed; and new, higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society itself. Therefore mankind always sets itself only such tasks as it can solve; since looking at the matter more closely, it will always be found that the task itself arises only when the material conditions for its solution already exist or are at least in the process of formation.” (Marx, *Selected Works*, Vol. I, pp. 269-70).

b) Theory

Let me start with a disclaimer. It is that Marx and Engels did not generally write extensively on what would later become known as social oppression. But, they were opposed to racism and sexism as being divisive in the working class struggle. Whilst class is always a constant fundamental factor in the social question, this did not mean that they ignored or downplayed the importance of the struggle of the oppressed independent of the working class struggle. This is important, because by the end of the 20th century when the USSR collapsed and nationalist rivalries tore apart Yugoslavia it was common for mainstream critics to level the accusation at Marxism that it tended to ignore or downplay nationalism which was seen as a more powerful ideological impulse than class solidarity and socialism. The failure of the Stalinist movement to adequately deal

with issues of gender oppression led to the emergence of a feminism in the 1960s which was often hostile to “old left” socialist politics.

Oppression, the result of (or the experience of) this self-perpetuating form of interactive constraint, is a situation in which the apparent social consensus, the culturally shared and expected analogue of reality, would come into unresolved conflict with experience-based emotionally-informed assessments of reality made by the individual. This illustrates an interesting relationship between the existence of objective reality and experience of oppression—not that oppression is caused by or causes lack of objectivity in the structuring of shared cognitive norms, but that they coincide as part of the same pattern of reality (a type of constrained epistemological and social interaction). Oppression is an interactive phenomenon; it is felt, or sensed by the input of emotion, which precedes interpretation.

The intellectual sense of harmony and elegance can guide the interpretation of those who dare to interpret, moving feeling into perception, or intellectual awareness, and one has consciousness of oppression. Oppression does not exist only in the individual’s mind (subjective reality) or in the world external to the mind of the oppressed individual (objective reality), but in the abstract epistemological relationship of self to context and to interpretation and expression, and it has an effect on the individual independent of whether the individual successfully analyzes the situation and conceives of it as an oppressive one.

Inequality, a dimension of oppression created by the competitive exerting of control, does not (as linear models of power imply) mean that the most successful oppressor-controller “wins”; no one is free. This is the essence of fluid-essentialism--a conceptualization of oppression without a class of “culprits” who are successfully oppressing to their own benefit. Patriarchal oppression is characterized as an immobilization contest in which men compete with each other in an attempt to paralyze and rigidify the behavior of as many people as possible. The “winners” are significantly less tightly constrained than the “losers”, but are nevertheless considerably more immobilized themselves than they would be in the absence of this enterprise. The interactive processes of patriarchal oppression explain and are explained by the specific system of shared belief and concepts which delineate patriarchal society.

Although all human social activity is constrained in certain universal ways, and presumably any social system would come with its own specific forms of interactive constraint, the patriarchal system happens to be a constraining system which limits interaction and communication in such a way as to create and maintain inflexibility, which is experienced as oppression. (Since the processes and the structures are actually aspects of each other, and both of them aspects of the overall phenomenon of specifically constrained interaction, the

apparent tautology and paradoxical cause-and-effect loop is entirely legitimate; the conceptual distinction between process and structures is an artificial human convenience that makes description easier, but they do not actually have separate existence). I have been describing constraint in gender-neutral terms, but the specific pattern of oppressive constraint is necessarily gender-specific.

That is, the value system of patriarchy constructs the experience of and meaning of emotion differently for men and women, diverting the currents of sexual expression into differently constrained patterns in such a way that the desire to express sexuality is harnessed to polarized concepts of sexual viability. The operation of patriarchal constraint focuses on us sexually. It works by polarizing society by gender, defining the genders rigidly according to sex-appropriate behavior, and then tying the intensity of sexuality to these constraints.

Systems of Oppression

Let us examine five types of injustices that are involved in oppression: distributive injustice, procedural injustice, retributive injustice, moral exclusion, and cultural imperialism. To identify which groups of people are oppressed and what forms their oppression takes, each of these five types of injustice should be examined.

1. Distributive Injustice

Under this heading, I shall briefly consider the distribution of four types of capital -- consumption, investment, skill, and social (Perrucci and Wysong, 1999)

Consumption capital is usually thought of as “standard of living.” In industrial societies, this is very much related to income. It includes the amounts and types of food and water, housing, clothing, health care, education, physical mobility (such as travel), recreation, and services that are available to members of a group. Clearly, there are gross differences in income and standard living among the different nations, among the different ethnic groups within nations, among the different classes, and between the sexes. For example, compare Sudan with Canada, African Americans with Euro-Americans, employees of General Motors and its executives, males and females.

Sen, for example writes: “women tend in general to fare quite badly in relative terms compared to men, even within the same families. This is reflected not only in such matters as education and opportunity to develop talents, but also in the more elementary fields of nutrition, health, and survival.” He estimated that there are “more than a hundred million missing women,” in Asia and North Africa, as a result of the unequal deprivations they suffer, compared to men. In other words, the survival rates of women compared to men is considerably lower than could be expected when these are compared to the

relative survival rates of men and women in Europe, North America, and sub-Saharan Africa where the differences in consumption capital available to males and females is not as unequal (Dreze and Sen,1995).

Investment capital “is what people use to create more capital.” Income is related to consumption capital and, also, wealth, which in turn, is related to investment capital. Generally, wealth is distributed more unequally than income. The inequalities among nations, within nations, among ethnic groups, among the social classes, between the physically impaired and unimpaired, and between the sexes are apt to be considerably greater with regard to investment than consumption capital. In 1992 in the US, the top one percent of the population possessed 45.6% of the financial assets while the bottom 80 percent had only 7.8%, and this discrepancy has undoubtedly increased since then (Perrucci and Wysong, 1999: 13).

Skill capital is the specialized knowledge, social and work skills, as well as the various forms of intelligence and credentials that are developed as a result of education and training and experiences in one’s family, community, and work settings. As Perrucci and Wysong point out: “The most important source of skill capital in today’s society is located in the elite universities that provide the credentials for the privileged class. For example, the path into corporate law with six-figure salaries and million-dollar partnerships is provided by about two-dozen elite law schools where children of the privileged class enroll. Similar patterns exist for medical school graduates, research scientists, and those holding professional degrees in management and business... People in high-income and wealth-producing professions will seek to protect the market value not only for themselves, but also for their children, who will enter similar fields.” It is evident that those in non-privileged groups in many societies will have much less opportunity to enter elite universities and to acquire the skills and credentials which would have high market value (Perruccand Wysong, 1999: 14).

Social capital is the network of social ties (family, friends, neighbors, social clubs, classmates, acquaintances, etc.), which can provide information and access to jobs and to the means of acquiring the other forms of capital, as well as emotional and financial support. It is the linkage that one has or does not have to organizational power, prestige, and opportunities. The social capital that one can acquire and maintain is affected by such factors as one’s family’s social class, membership in particular ethnic and religious groups, age, sex, physical disability, and sexual orientation. In most societies the ability to acquire and maintain social capital by those who are underclass or working class, disabled, elderly, members of minority, ethnic, religious or racial groups, or women is considerably more limited than the dominant groups. Personality, undoubtedly, also plays a role: one could expect that individuals who are ambitious, sociable,

intelligent, and personally attractive will acquire more social capital than those who are not.

To sum up this section on distributive justice: “Every type of system—from a society to a family —distributes benefits, costs, and harms (its reward systems are a reflection of this). One can examine the different forms of capitol (consumption, investment, skill, social) and such benefits as income, education, health care, police protection, housing, and water supplies, and such harms as accidents, rapes, physical attacks, imprisonment, death, and rat bites, and see how they are distributed among categories of people: rich versus poor, males versus females, employers versus employees, whites versus blacks, heterosexuals versus homosexuals, police officers versus teachers, adults versus children. Such examination reveals gross disparities in distribution of one or another benefit or harm received by the categories of people involved. Thus, blacks generally received fewer benefits and more harm than whites in the United States. In most parts of the world, female children are less likely than male children to receive as much education or inherit parental property, and they are more likely to suffer from sexual abuse” (Deutsch and Coleman, 2000).

2. Procedural Injustice

In addition to assessing the fairness of the distribution of outcomes, individuals judge the fairness of the procedures that determine the outcomes. Research evidence indicates that fair treatment and procedure are a more pervasive concern to most people than fair outcomes. Fair procedures are psychologically important, because they encourage the assumption that they give rise to fair outcomes in the present and will also in the future. In some situations, where it is not clear what “fair outcomes” should be, fair procedures are the best guarantee that the decision about outcomes is made fairly. Research indicates that one is less apt to feel committed to authorities, organizations, social policies, and governmental rules and regulations if the procedures associated within them are considered unfair. Also, people feel affirmed if the procedures to which they are subjected treat them with the respect and dignity they feel is their due; if so treated, it is easier for them to accept a disappointing outcome.

Questions with regard to the justice of procedures can arise in various ways. Let us consider, for example, evaluation of teacher performance in a school. Some questions immediately come to mind: Who has “voice” or representation in determining whether such evaluation is necessary? How are the evaluations to be conducted? Who conducts them? What is to be evaluated? What kind of information is collected? How is its accuracy and validity ascertained? How are its consistency and reliability determined? What methods of preventing incompetence or bias in collecting and processing information are employed?

Who constitutes the groups that organize the evaluations, draw conclusions, make recommendations, and make decisions? What roles do teachers, administrators, parents, students, and outside experts have in the procedures? How are the ethicality, considerateness, and dignity of the process protected?

Implicit in these questions are some values with regard to procedural justice. One wants procedures that generate relevant, unbiased, accurate, consistent, reliable, competent, and valid information and decisions as well as polite, dignified, and respectful behavior in carrying out the procedures. Also, voice and representation in the processes and decisions related to the evaluation are considered desirable by those directly affected by the decision. In effect, fair procedures yield good information for use in the decision-making processes as well as voice in the processes for those affected by them, and considerate treatment as the procedures are being implemented (Deutsch and Coleman, 2000).

One can probe a system to determine whether it offers fair procedures to all. Are all categories of people treated with politeness, dignity, and respect by judges, police, teachers, administrators, employers, bankers, politicians and others in authority? Are some but not others allowed to have a voice and representation, as well as adequate information, in the processes and decisions that affect them? It is evident that those people and groups with more capital are more likely to have access to political leaders and to be treated with more respect by the police, judges, and other authority than those with less capital. Also, their ability to have “voice” in matters that affect them are considerably greater.

3. Retributive Injustice

Retributive injustice is concerned with the behavior and attitudes of people, especially those in authority, in response to moral rule breaking. One may ask: Are “crimes” by different categories of people less likely to be viewed as crimes, to result in an arrest, to be brought to trial, to result in conviction, to lead to punishment or imprisonment or the death penalty, and so on? Considerable disparity is apparent between how “robber barons” and ordinary robbers are treated by the criminal-justice system, between manufacturers who knowingly sell injurious products (obvious instances being tobacco and defective automobiles) and those who negligently cause an accident. Similarly, almost every comparison of the treatment of black and white criminal offenders indicate that, if there is a difference, blacks receive worse treatment.

4. Moral Exclusion

Moral exclusion refers to: Who is and is not entitled to fair outcomes and fair treatment by inclusion or lack of inclusion in one’s moral community?

Albert Schweitzer included all living creatures in his moral community, and some Buddhists include all of nature. Most of us define a more limited moral community.

Individuals and groups who are outside the boundary in which considerations of fairness apply may be treated in ways that would be considered immoral if people within the boundary were so treated. Consider the situation in Bosnia. Prior to the breakup of Yugoslavia, the Serbs, Muslims, and Croats in Bosnia were more or less part of one moral community and treated one another with some degree of civility. After the start of civil strife, (initiated by power-hungry political leaders), vilification of other ethnic groups became a political tool, and it led to excluding others from one's moral community. As a consequence, the various ethnic groups committed the most barbaric atrocities against one another. The same thing happened with the Hutus and Tutsis in Rwanda and Burundi.

At various periods in history and in different societies, groups and individuals have been treated inhumanly by other humans: slaves by their masters, natives by colonialists, blacks by whites, Jews by Nazis, women by men, children by adults, the physically disabled by those who are not, homosexuals by heterosexuals, political dissidents by political authorities, and one ethnic or religious group by another. When a system is under stress, are there differences in how categories of people are treated? Are some people more apt to lose their jobs, be excluded from obtaining scarce resources, or be scapegoated and victimized?

During periods of economic depression, social upheaval, civil strife, and war, frustrations are often channeled to exclude some groups from the treatment normatively expected from other in the same moral community. Moral exclusion "is perhaps the most dangerous form of oppression." It has led to genocide against the Jews and gypsies by the Nazis, the Turkish genocide of the Armenians, the auto genocide by the Khmer Rouge in Cambodia, the mass killings of the political opposition by the Argentinean generals, to widespread terrorism against civilians by various terrorist groups, to the enslavement of many Africans, to mention only a few examples of the consequences of moral exclusion (Young, 1990).

Lesser forms of moral exclusions, marginalization, occur also against whole categories of people: women, the physically impaired, the elderly, and various ethnic, religious and racial groups in many societies where barriers prevent them from full participation in the political, economic, and social life of their societies. The results of these barriers are not only material deprivation but also disrespectful, demeaning, and arbitrary treatment as well as decreased opportunity to develop and employ their individual talents. For extensive

research and writing in this area, the work of Susan Opatow, a leading scholar in this area (Opatow, 1987, 1990, 1995, 1996, 2001).

5. Cultural Imperialism

“Cultural **Imperialism** involves the universalization of a dominant group’s experience and culture and establishing it as the norm.” Those living under cultural imperialism find themselves defined by the dominant others. As Young points out: “Consequently, the differences of women from men, American Indians or Africans from Europeans, Jews from Christians, becomes reconstructed as deviance and inferiority.” To the extent that women, Africans, Jews, Muslims, homosexuals, etc. must interact with the dominant group whose culture mainly provides stereotyped images of them, they are often under pressure to conform to and internalize the dominant group’s images of their group (Young, 1990).

Culturally dominated groups often experience themselves as having a double identity, one defined by the dominant group and the other coming from membership in one’s own group. Thus, in my childhood, adult African-Americans were often called “boy” by members of the dominant white groups but within their own group, they might be respected ministers and wage earners. Culturally subordinated groups are often able to maintain their own culture because they are segregated from the dominant group and have many interactions within their own group, which are invisible to the dominant group. In such contexts, the subordinated culture commonly reacts to the dominant culture with mockery and hostility fueled by their sense of injustice and of victimization.

Maintaining Oppression

Factors that contribute to the maintenance of oppression are:

- the superior power of the dominant group;
- the social production of meaning in the service of legitimating oppression;
- the self-fulfilling prophecies arising from oppression; and
- the distorted relationship between the oppressed and the oppressor.

The Superior Power of the Oppressor

Elsewhere, I have discussed different forms of power, as have many others (Deutsch (1973). Although this form of competitive power is much emphasized in discussions of power, another form of power is equally important: cooperative power, where it is to the benefit of each other, if the other’s power

is enhanced. Here, I am focusing on the power to control, dominate, or exploit another person, group, or nation whose power is not sufficient to prevent such domination or exploitation (Sidanius & Pratto, 1999). Such resources as wealth, status, size, weapons, intelligence, knowledge, organizational skill, internal unity, respect, affection, allies and a reputation of being powerful are some of the bases of power. Effective power depends not only on the control or possession of resources to generate power but also upon the motivation to employ these resources to influence others, skill in converting these resources to usable power, and good judgment in employing this power so that its use is appropriate in type and magnitude to the situation in which it is used.

It is evident that a group's possession of high effective power increases its chances of getting what it desires. Therefore, one would expect that the members of high power groups would be more satisfied with their groups and more intent on preserving the status quo than members of low power groups. Given this asymmetry in power and satisfactions, it also could be expected that pressures for change in the power relations is most apt to come from low power groups. The question naturally arises: How do high power groups use their power to prevent or contain such pressure from low power groups?

There are several basic ways: control over the instruments of systematic terror and of their use; control over the state which establishes and enforces the laws, rules and procedures which regulate the social institutions of the society; control over the institutions (such as the family, school, church, and media) which socialize and indoctrinate people (such as the family, school, church, and the media) to accept the power inequalities; and interactive power in which there are repeated individual behaviors by those who are more powerful which confirm the subordinate status of those in low power. In addition, there are the self-fulfilling prophecies in which the behavior of the oppressed, resulting from their oppression, are used by the oppressor to justify the oppression; and the distorted relation between the oppressor and the oppressed.

Systematic Terror

As Sidanius and Pratto point out, in their excellent book *Social Dominance*, systematic terror can be official, semi-official, or unofficial. "Official terror is the public and legally sanctioned violence and threat of violence by organs of the state toward members of a subordinate group" (as in the South African police toward blacks during the Apartheid period discussed by Perrucci and Wysong (1999:14). Semi-official terror is the violence or intimidation carried out by officials of the state but not legally sanctioned by the state (e.g. the death squads in Argentina composed of paramilitary organizations) while unofficial terror is perpetrated by private individuals from dominant groups, often illegally,

with the tacit approval of public officials (as in the lynchings of African-American men accused of having sex with white women).

Systematic terror may not be necessary to keep a subordinated group in its place, if the subordinated group thinks the social institutions controlled by the dominant group, as well as their daily interactions with its members, are tolerable. Or, it might be that their socialization and indoctrination by the social institutions controlled by the powerful, have led them to accept and internalize the values and ideology of the dominant group. Even so, a harsh, dominant group in a totalitarian society may find it expedient, as well as self-affirming, to keep salient the potential of systematic terror, through its occasional, arbitrary, use to encourage the continued internalization of its values by the subordinate group and the toleration of the injustices it is experiencing.

Control Over the State

In a self-reinforcing cycle, the powerful in any society control the state and control of the state increases the power of those who control it. In the United States and other Western democracies, large corporations and wealthy individuals are the primary funders of political campaigns, political parties, and political candidates; they also own and control most of the mass media; additionally, they provide the support for most of the private policy-planning network—the think tanks, research institutes, policy discussion groups, and foundations—which help to set the national policy agenda and to establish policy priorities (Harvey,1999). The result is an immense bias in the political system favoring large corporations and the economically privileged in the legislative, executive, and judicial branches of the government. The effects of this bias are evidenced in which groups experience the various forms of injustice described earlier in this paper. In the United States, it is apparent that such minorities as African-Americans, Hispanics, Native Americans, the physically impaired, single mothers, and children have relatively little power and are more likely to be poor and to suffer the other injustices associated with poverty. At the global level, a similar process occurs: the large multi-national corporations, the more powerful nations, and wealthy investors are able to influence the processes and practices affecting international trade, aid, and investment to their own advantage and, often, to the detriment of the people in third-world states.

Control over Socialization and Indoctrination

The development of discontent among the disadvantaged and outrage among the oppressed are often aborted by the socialization and indoctrination institutions of society. The family, school, religious institutions, state, and the media socialize and indoctrinate the oppressed to obey authority and to keep them aware that punishment for disobedience will be severe, to view the

disadvantages they suffer as legitimate, or to have faith that they will be compensated for them in the afterlife. The rewards and punishments in the here-and-now, as well as the after-life, for acceptance or challenging authority and the status quo are presented vividly and repeatedly in both the myths and practices of the society and its indoctrinating institutions.

Interactive Power

This form of power has been defined by Harvey as “the power to take the initiative in a relationship: in beginning or ending a relationship, and in insisting on its being modified, and in taking a number of communication initiatives like the power to begin or end a specific contact (like a conversation), to insist on being listened to and on being given answer to reasonable and pertinent questions” (Noel, 1994). The socially privileged, typically, assume that they have the right to control the interactions in their relationship with members of subordinated groups. Challenging this assumption can be risky for a subordinate and, as a consequence, they usually go unchallenged. The repeated, everyday experience of being treated as an inferior produces a public image of being an inferior, which may be internalized as an image of self-inferiority. In the socially privileged, in contrast, such interactions will produce a public image of superiority and a corresponding self-image. Such non-egalitarian everyday interactions between the socially dominant and the oppressed help to keep the system of oppression in place by the public images and self-images they produce and perpetuate.

Social Production of Meaning in the Service of Legitimizing Oppression

Under this heading, we will provide some illustrations of how the various institutions of society and facets of its culture implicitly “proclaim the superiority of the oppressor’s identity” (Deutsch, 1973: 102-3). The oppressors use “history”, “the law of nature”, “the will of God”, “science”, “the criteria of art”, and “language” as well as the social institutions of society to legitimize their superiority and to ignore or minimize the identity of the oppressed.

Some illustrations (see Noel, 1994, for a more detailed discussion) follow:

... The Declaration of Independence starts with “We the People” but the “we” did not include Native Americans, slaves, women or youths.

... “History”, as it appears in the textbooks is mainly a series of events that involve “great men” such as conquerors, kings, presidents, or successful revolutionary leaders. They were the “winners”; the losers, if mentioned, are usually presented in a derogatory manner. The history of women, African-Americans, Native Americans, children, the aged, homosexuals, the physically

challenged, and other minority groups are too insignificant to be noted except as problems.

... The pseudoscientific “Social Darwinism” eagerly misapplied such ideas as “survival of the fittest”, “hereditary determinism”, and “stages of evolution” to the relations between different human social groups-classes and nations as well as social races-to justify existing exploitative social relations and to rationalize imperialist policies. “The rich and powerful were biologically superior; they had achieved their positions as a result of natural selection. It would be against nature to interfere with the inequality and suffering of the poor and weak. Imperialism was patriotism in a race endowed with the genius for empire, for those superior peoples meant to lead inferior peoples” (Noel, *op. cit.*).

... All the large-scale religions share the belief in female inferiority (*Noel, op. cit.*). God, according to the Christian tradition, made man in his own image, while a woman is a mere reflection of man. In Hinduism, women are not even eligible for salvation; they must await for another incarnation. In Islam, the testimony of a woman is worth only half that of a man. Every day, the orthodox Jewish male thanks God “for not having made him a woman.” According to Pope John Paul II, women are not allowed to be priests because this would be contrary to both their humanity and femininity.

The behavioral and social sciences have often legitimized the oppressors’ claim to superiority. Well-known psychologists have used the results of intelligence testing to proclaim that African-Americans, Jews, Eastern Europeans, and people from the Mediterranean area are inferior to Anglo-Saxons. Piaget and Kohlberg indicated that women have a less developed moral judgment than men. Sociologists (e.g., Banfield) have considered the lower classes to be pathological; anthropologists have employed the term “primitive” to characterize indigenous societies; psychiatrists have considered homosexuality to be a mental disease, women to suffer from “penis envy”, and that children were fantasizing their abuses.

... The historians of art, music, and literature have much neglected the contributions of women and have frequently credited their works to men; “art” and “literature” are created by the dominators. African art is “primitive” art, even though copied by Picasso; “gays” write “homosexual” novels; and female film directors produce “women” movies. It has long been accepted for minority artists and performers to work in their own group’s genre-for example, for blacks to create and perform jazz music. Only recently have blacks been permitted to express themselves in the “higher” “genres of classical music, ballet, or opera.

Contribution of Self-Fulfilling Prophecies to the Maintenance of Oppression

The myths of moral, intellectual, or motivational superiority of the oppressor, which often are used to legitimize the subordination of oppressed groups are typically supported by self-fulfilling prophecies. As Sidanius and Pratto point out: “Societies are set up in ways that make life relatively easy for dominants and relatively difficult for subordinates” (Sidanius, J., & Pratto, F., op. cit.: 227). Subordinated groups are less like to live in circumstances which encourage and stimulate the development of one’s intellectual potential; which foster the motivation to be ambitious and to achieve economic success; which motivate conformity to the social norms against deviant and criminal behavior; which foster intragroup cohesiveness; and which contribute to the development of physical and mental health. These deficiencies resulting from oppression support the mythology and stereotypes promulgated by the oppressor and, in a self-fulfilling prophecy, enable the dominant to justify their oppression by characterizing the oppressed as being “dumb, lazy, or immoral.”

Of course, there are oppressed groups who do not fit these stereotypes. Such groups, which have high intellectual and economic attainments as well as much intragroup cohesiveness, are often viewed as potential competitors. They are stereotyped as “cunning, deceitful, overly ambitious, and clannish.” These groups tend to be morally excluded or marginalized so that they have only restricted or limited participation in the important institutions of society—political, legal, educational, etc. They tend to be segregated from the dominant group and their economic activities are primarily in stigmatized occupations and often they have to be very ambitious, cunning, and clannish to survive and thrive. As I have suggested elsewhere (Deutsch and Collins, 1951), these groups are seen as potential competitive threats to the dominant group and the responses to such threats often take the forms of intolerance, exclusion, or extermination.

Distorted Relationship Between the Oppressed and the Oppressor

The Oppressed

Imagine the situation of an oppressed or abused child, wife, employee, or citizen. Each is in some critical way dependent upon the oppressor—the parent, the husband, the employer (company or organization), and the governing undemocratic power. Supposed the oppressed has needs or desires of which the oppressor strongly disapproves (e.g. physical affection, self-esteem, autonomy, self-determination) or only allows their expression in distorted dissatisfying, self-abusive forms. The reaction of the oppressed is apt to be one of frustration,

anger, and anxiety if the oppressor indicates, even subtly, that the oppressed will be severely punished if the oppressed expresses her desires, frustrations, or anger.

One way of reducing the anxiety aroused by the temptations to manifest the forbidden desires is to build an internal barrier to their expression by internalizing the threat through identification with the oppressor. Doing so leads, at one level, to guilt and self-hatred for having these desires. At a deeper level, it leads to guilt and self-hatred for abandoning one's self, as well as rage and a sense of moral superiority toward the oppressor who is responsible for this abandonment. As a result of these processes, submission and obedience to the oppressor, as well as depression, are commonly found among the oppressed when they are interacting with oppressors or when they are in oppressive situations.

However, it should be recognized that many who experience oppression in some aspects of their life do not necessarily experience it in other aspects; so that they are not necessarily submissive, and depressed personalities racked by guilt, self-hatred, and rage in all situations. Damage to the personalities of oppressed people will be limited, even when exposed to pervasive oppression, if they are also part of a supportive, cohesive community whose values oppose oppression.

The Oppressor

If we were to examine the oppressors psychologically—the child abusers, the husbands who batter their wives, brutal bosses, and political tyrants—I believe that we would find that the oppressors need the oppressed. Their need to control and dominate the other, their intolerance of the autonomy of the other, makes them dependent upon having vulnerable, weaker others for the definition of their own power. Their own deep sense of vulnerability (anxieties about helplessness and impotence, guilt about forbidden desires and rage, self-hatred for vulnerability) leads to strong needs both to deny one's vulnerability (by projection of one's anxieties, guilt and contempt onto others who are more vulnerable) and to have the power to control those who are vulnerable or can be made to be more vulnerable. The oppressor needs to be able to make demands, which are arbitrary and unreasonable so that the obedience of the oppressed is due to the oppressor's power and not to the agreement of the oppressed. The oppressor's intolerance of the autonomy of the oppressed is “neither idle nor freely chosen; it is a function of dependence on the vulnerable others for the definition of his or her own power” ((Lichtenberg, 1990). One can, of course, be more powerful in a relationship (such as a parent-child, employer-employee relationship) without being an oppressor. Power can be used “for” the other rather than “against” the other.

Psychodynamic Relationship Between the Oppressor and the Oppressed

There are structural similarities between the sadomasochistic and the oppressor-oppressed relationship. Each side of the relationship has some of the latent qualities of the other side: the sadist when he is whipping the masochist is also whipping himself; the oppressor when he is controlling the oppressed is controlling himself. The masochistic, when whipped, is also having the sadist within himself punished. Similarly, the oppressed who is being controlled is also having his rage controlled.

It seems obvious that not all oppressors have “oppressive” personalities nor do all the oppressed have “oppressed” personalities in the sense that they do not consistently prefer and seek out relationships where they can be the “oppressors” or the “oppressed.” Nevertheless, I suggest that in any longstanding oppressive relationship, both the psychodynamics within its participants as well as social expectations will contribute to its persistence and resistance to change. Thus, in Afghanistan (despite the ending of the rule of the Taliban and their exposure to different models of family relationships on TV), many wives will continue to wear burkas and also to believe that their husbands have the right to beat them if they disobey them.

I conclude this section of my discussion by stating that any attempt to end long-enduring oppressive relations will have to address the psychodynamic issues which lead people to resist changing unhappy but familiar relationships. Some of the anxieties and fears that have to be addressed for the oppressed and oppressor are:

1. Both feel anxious in the face of the unknown. They believe that they will be foolish, humiliated, or helpless, in a new unclear relationship;
2. Both fear the guilt and self-contempt for their roles in maintaining the oppressive relationship;
3. The oppressed fears that their rage will be unleashed; the oppressor is in terror of this rage;
4. Both fear punishment, if they change; the oppressed from the oppressor, the oppressor from the oppressed and other oppressors; and,
5. Both anticipate loss from the change: the oppressed will lose their sense of moral superiority and the excuses of victimhood; the oppressor will lose the respect and material benefits associated with being more powerful.

In sum, oppression is seldom pointless. The problem is we too easily get caught up in the discussion of who is doing what, instead of paying attention to the effects as a whole. It won't matter what labels we apply to those who run the system, nor their names. Nor is it really necessary to examine all the various mechanisms of oppression and their plans. All we need to know is they plan to grab more power and wealth in such a way as to make executing their dreams

less inconvenient, which typically means reducing resistance from those they intend to oppress.

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Neoliberalism and Imperialism: Global Violence as Oppression



Overview

Essential to imperialist domination is violence. Imperialism, the most brutal form of exploitation, oppression and subjugation, is the primary source of violence in the world. It fights with every means at its disposal. Imperialists will use whatever they have to maintain their class position. Under extreme conditions, mass sentiment and action can make the government forego extreme measures. This does not mean that we should ideologically disarm the people with the illusion of social peace with the imperialists. We should not mystify this word violence. The arms trade, war and conflict, and institutions such as the IMF, World Bank and the World Trade Organization persist in exploitation and endorsement of imperialism; strengthening the previous history of colonialism, fuelling conflict between tribes and enhancing the conditions for social injustice. Hence, violence is hunger, racism, exploitation, oppression, and destruction of culture, enslavement and the slaughter of human life that will occur as long as the imperialist system exists. Many so-called “revolutionaries” and “progressives” see that a primary task is to have peaceful relations with the capitalist class and from such a relationship proceed to make fundamental changes in the world. We regard this idea as delusion and capitulation on the part of those promoting “social peace.” Certainly we are for

peace; peace between people, people and their governments, between nations. But not peace based on violence, as a peace with imperialists would most certainly be.

Historical Review of the Violence of Neoliberal Imperialism

Let us open with the perception of imperialist warfarism by Rosa Luxemburg. No less dramatic is Rosa Luxemburg's (1951) perception of the economic role of militarism in the historical globalization of the market economy:

“Militarism fulfils a quite definite function in the history of capital, accompanying as it does every historical phase of accumulation. It plays a decisive part in the first stages of European capitalism, in the period of the so-called ‘primitive accumulation’, as a means of conquering the New World and the spice-producing countries of India. Later, it is employed to subject the modern colonies, to destroy the social organizations of primitive societies so that their means of production may be appropriated, forcibly to introduce commodity trade in countries where the social structure had been unfavorable to it, and to turn the natives into a proletariat by compelling them to work for wages in the colonies. It is responsible for the creation and expansion’ of spheres of interest for European capital in non-European regions, for extorting railway concessions in backward countries, and for enforcing the claims of European capital as international lender. Finally, militarism is a weapon in the competitive struggle between capitalist countries for areas of non-capitalist civilization” (1951: 454).

The drive for world supremacy by the USA and Europe has been clothed in the rhetoric of “world leadership”, the consequences have been devastating for the peoples targeted. The biggest, longest and most numerous wars have been carried out by the United States. Presidents from both parties direct and preside over this quest for world power. The ideology which informs imperialism varies from “anti-communism” in the past to “anti-terrorism” today. Washington’s drive for world domination has used and combined many forms of warfare, including military invasions and occupations; proxy mercenary armies and military coups; financing political parties, NGO’s and street mobs to overthrow duly constituted governments. The driving forces in the imperial state, behind the quest for world power, vary with the geographic location and social economic composition of the targeted countries.

What is clear from an analysis of US empire building over the last half century is the relative decline of economic interests, and the rise of politico-

military considerations. In part this is because of the demise of the collectivist regimes (the USSR and Eastern Europe) and the conversion of China and the leftist Asian, African and Latin American regimes to capitalism. The decline of economic forces as the driving force of imperialism is a result of the advent of global neoliberalism. Most US and EU multi-nationals are not threatened by nationalizations or expropriations, which might trigger imperial state political intervention. In fact, MNC are invited to invest, trade and exploit natural resources even by post-neoliberal regimes. Economic interests come into play in formulating imperial state policies, if and when nationalist regimes emerge and challenge US MNC as is the case in Venezuela under President Chavez.

The key to US Empire building over the past half-century is found in the political, military and ideological power configurations which have come to control the levers of the imperial state. The recent history of US imperial wars has demonstrated that strategic military priorities—military bases, budgets and bureaucracy—have expanded far beyond any localized economic interests of MNC. Moreover, the vast expenditures and long term and expensive military interventions of the US imperial state in the Middle East has been at the behest of Israel. The take-over of strategic political positions in the Executive branch and Congress by the powerful Zionist power configuration within the US has reinforced the centrality of military over economic interests

The ‘privatization’ of imperial wars, the vast growth and use of mercenaries contracted by the Pentagon, has led to the vast pillage of tens of billions of dollars from the US Treasury. Large scale corporations which supply mercenary military combatants have become a very ‘influential’ force shaping the nature and consequences of US empire building.

Military strategists, defenders of Israeli colonial interests in the Middle East, mercenary military and intelligence corporations are central actors in the imperial state and it is their decision-making influence which explains why US imperial wars do not result in a politically stable, economic prosperous empire. Instead their policies have resulted in unstable, ravaged economies, in perpetual rebellion.

We will proceed by identifying the changing areas and regions of US empire building from the mid 1970’s to the present. We then examine the methods, driving forces and outcomes of imperial expansion. We will then turn to describe the current ‘geo-political map of empire building and the varied nature of the anti-imperialist resistance. We will conclude by examining the why and how of empire building and more particularly, the consequences, and results of a half century of US imperial expansion.

America's Omnipresent War Ethos

War on drugs. War on poverty. War in Afghanistan. War in Iraq. War on terror. The biggest mistake in American policy, foreign and domestic, is looking at everything as war. When a war mentality takes over, it chooses the weapons and tactics for you. It limits the terms of debate before you even begin. It answers questions before they're even asked. When you define something as war, it dictates the use of the military (or militarized police forces, prisons, and other forms of coercion) as the primary instruments of policy. Violence becomes the means of decision, total victory the goal. Anyone who suggests otherwise is labeled a dreamer, an appeaser, or even a traitor.

War, in short, is the great simplifier - and it may even work when you're fighting existential military threats (as in World War II). But it doesn't work when you define every problem as an existential one and then make war on complex societal problems (crime, poverty, drugs) or ideas and religious beliefs (radical Islam). Consider the Afghan War - not the one in the 1980s when Washington funneled money and arms to the fundamentalist Mujahideen to inflict on the Soviet Union a Vietnam-style quagmire, but the more recent phase that began soon after 9/11. Keep in mind that what launched it were those attacks by 19 hijackers (15 of whom were Saudi nationals) representing a modest-sized organization lacking the slightest resemblance to a nation, state, or government. There was as well, of course, the fundamentalist Taliban movement that then controlled much of Afghanistan. It had emerged from the rubble of our previous war there and had provided support and sanctuary, though somewhat grudgingly, to Osama bin Laden.

With images of those collapsing towers in New York burned into America's collective consciousness, the idea that the US might respond with an international "policing" action aimed at taking criminals off the global streets was instantly banished from discussion. What arose in the minds of the Bush administration's top officials instead was vengeance via a full-scale, global, and generational "war on terror." Its thoroughly militarized goal was not just to eliminate al-Qaeda but any terror outfits anywhere on Earth, even as the US embarked on a full-fledged experiment in violent nation building in Afghanistan. More than 13 dismal years later, that Afghan War-cum-experiment is ongoing at staggering expense and with the most disappointing of results.

While the mindset of global war was gaining traction, the Bush administration launched its invasion of Iraq. The most technologically advanced military on Earth, one that the president termed "the greatest force for human liberation the world has ever known", was set loose to bring "democracy" and a *Pax Americana* to the Middle East. Washington had, of course, been in conflict with Iraq since Operation Desert Storm in 1990-1991, but what began as the

equivalent of a military coup (aka a “decapitation“operation) by an outside power, an attempt to overthrow Saddam Hussein and eliminate his armed forces and party, soon morphed into a prolonged occupation and another political and social experiment in violent nation-building. As with Afghanistan, the Iraq experiment with war is still ongoing at enormous expense and with even more disastrous results.

Radical Islam has drawn strength from these American-led “wars.” Indeed, radical Islamists cite the intrusive and apparently permanent presence of American troops and bases in the Middle East and Central Asia as confirmation of their belief that US forces are leading a crusade against them - and by extension against Islam itself. And in a revealing slip of the tongue, President Bush did indeed once call his war on terror a “crusade.” Considered in these terms, such a war is by definition a losing effort because each “success” only strengthens the narrative of Washington’s enemies. There’s simply no way to win such a war except by stopping it. Yet that course of action is never on the proverbial “table” of options from which officials in Washington are said to choose their strategies. To do so, in the context of war thinking, would mean to admit defeat (even though true defeat arrived the very instant the problem was first defined as war). Our leaders persist in such violent folly at least in part because they fear the admission of defeat above all else. After all, nothing is more pejorative in American politics or culture than to be labeled a loser in war, someone who “cuts and runs.”

In the 1960s, despite his own serious misgivings about the ongoing conflict in Vietnam, President Lyndon B. Johnson set the gold standard in his determination not to be the first American president to lose a war, especially in a “damn little pissant country” like Vietnam. So he persisted - and the conflict turned him into a loser anyway and destroyed his presidency. Even as he waged war, as historian George Herring has noted, LBJ did not want to be known as a “war president.” Two generations later, another Texan, George W. Bush, grasped the “war president” moniker with genuine enthusiasm. He, too, vowed he would win his war when things started to go sour. Staring down a growing insurgency in Iraq in the summer of 2003, Bush did not shy from the challenge. “Bring ‘em on”, he said in what was supposed to be a Clint Eastwood/Dirty Harry-style moment. Now, Washington is sending troops back into Iraq for the third time to engage an even more intractable insurgency, the Islamic State’s radical version of Islam, a movement originally fed and bred partly in Camp Bucca, an American military prison in Iraq.

And just to set the record straight, President Obama, too, accepted the preeminence of war in American policy in his 2009 Nobel Prize acceptance speech in Oslo. There, he offered a stirring defense of America’s role and record as “the world’s sole military superpower”:

“Whatever mistakes we have made, the plain fact is this: the United States of America has helped underwrite global security for more than six decades with the blood of our citizens and the strength of our arms. The service and sacrifice of our men and women in uniform has promoted peace and prosperity from Germany to Korea, and enabled democracy to take hold in places like the Balkans. We have borne this burden not because we seek to impose our will. We have done so out of enlightened self-interest - because we seek a better future for our children and grandchildren, and we believe that their lives will be better if other peoples’ children and grandchildren can live in freedom and prosperity.” It was a moment that defined the Obama presidency as being remarkably in tune with America’s already omnipresent war ethos. It was the very negation of “hope” and “change” and the beginning of Obama’s transition, via the CIA’s drone assassination program, into the role of assassin-in-chief.

Everything Is Jihad

Recent American leaders have something in common with their extremist Islamic counterparts: all of them define everything, implicitly or explicitly, as a jihad, a crusade, a holy war. But the violent methods used in pursuit of various jihads, whether Islamic or secular, simply serve to perpetuate and often aggravate the struggle. Think of America’s numerous so-called wars and consider if there’s been any measurable progress made in any of them. Lyndon Johnson declared a “war on poverty” in 1964. Fifty-one years later, there are still startling numbers of desperately poor people and, in this century, the gap between the poorest many and richest few has widened to a chasm. Since the days of President Ronald Reagan, in fact, one might speak of a war on the poor, not poverty.

Drugs? Forty-four years after President Richard Nixon proclaimed the war on drugs, there are still millions in jail, billions being spent, and drugs galore on the streets of American cities. Terror? Thirteen years and counting after that “war” was launched, terror groups, minor in numbers and reach in 2001, have proliferated wildly and there is now something like a “caliphate” - once an Osama bin Laden fantasy - in the Middle East: ISIS in power in parts of Iraq and Syria, al-Qaeda on the rise in Yemen, Libya destabilized and divvied up among ever more extreme outfits, innocents still dying in US drone strikes. Afghanistan? The opium trade has rebounded big time, the Taliban is resurgent, and the region is being destabilized. Iraq? A cauldron of ethnic and religious rivalries and hatreds, with more US weaponry on the way to fuel the killing, in a country that functionally no longer exists. The only certainty in most of these American “wars” is their violent continuation, even when their original missions lie in tatters.

The very methods the US employs and the mentality its leaders adopt ensure their perpetuation. Why? Because drug addiction and abuse can't be conquered by waging a war. Neither can poverty. Neither can terror. Neither can radical Islam be defeated through armed nation building. Indeed, radical Islam thrives on the very war conditions that Washington helps to create. By fighting in the now familiar fashion, you merely fan its flames and ensure its propagation.

It's the mindset that matters. In places like Iraq and Afghanistan, places that for most Americans exist only within a "war" matrix, the US invades or attacks, gets stuck, throws resources at the problem indiscriminately, and "makes a desert and calls it 'peace'" to quote the Roman historian Tacitus. After which our leaders act surprised as hell when the problem only grows. Sadly, the song remains monotonously the same in America: more wars, made worse by impatience for results driven by each new election cycle. It's a formula in which the country is eternally fated to lose.

Two Curious Features of America's New Wars

Historically, when a nation declares war, it does so to mobilize national will, as the US clearly did in World War II. Accompanying our wars of recent decades, however, has been an urge not to mobilize the people, but *demobilize* them - even as the "experts" are empowered to fight and taxpayer funds pour into the national security state and the military-industrial complex to keep the conflicts going.

Recent wars, whether on drugs or in the Greater Middle East, are never presented as a challenge "we the people" can address and solve together, but as something only those who allegedly possess the expertise and credentials - and the weapons - can figure out or fight. George W. Bush summed up this mindset in classic fashion after 9/11 when he urged Americans to go shopping and visit Disney World and leave the fighting to the pros. War, in short, has become yet another form of social control. Have a gun or a badge of some sort and you can speak forcefully and be listened to; otherwise, you have no say. In addition, what makes America's new wars unique to our moment is that they never have a discernible endpoint. For what constitutes "victory" over drugs or terror? Once started, these wars by definition are hard to stop.

Proxy Wars in Central America, Afghanistan and Southern Africa

The US imperialist defeat in Indo-China marks the end of one phase of empire building and the beginning of another: a shift from territorial invasions to proxy wars. Hostile domestic opinion precluded large scale ground wars. Beginning during the presidencies of Gerald Ford and James Carter, the

US imperialist state increasingly relied on proxy clients. It recruited, financed and armed proxy military forces to destroy a variety of nationalist and social revolutionary regimes and movements in three continents. Washington financed and armed extremist Islamic forces world-wide to invade and destroy the secular, modernizing, Soviet backed regime in Afghanistan, with logistical support from the Pakistan military and intelligence agencies, and financial backing from Saudi Arabia.

The second proxy intervention was in Southern Africa, where the US imperial state financed and armed proxy forces against anti-imperialist regimes in Angola and Mozambique, in alliance with South Africa. The third proxy intervention took place in Central America, where the US financed, armed and trained murderous death squad regimes in Nicaragua, El Salvador, Guatemala and Honduras to decimate popular movements and armed insurgencies resulting in over 300,000 civilian deaths.

The US imperial state's 'proxy strategy' extended to South America: CIA and Pentagon backed military coups took place in Uruguay (General Alvarez), Chile (General Pinochet) Argentina (General Videla), Bolivia (General Banzer) and Peru (General Morales). Empire building by proxy, was largely at the behest of US MNC which were the principal actors in setting priorities in the imperial state throughout this period. Accompanying proxy wars, were direct military invasions: the tiny island of Grenada (1983) and Panama (1989) under Presidents' Reagan and Bush, Sr. Easy targets, with few casualties and low cost military expenditures: dress rehearsals for re-launching major military operations in the near future. What is striking about the 'proxy wars' are the mixed results. The outcomes in Central America, Afghanistan and Africa did not lead to prosperous neo-colonies or prove lucrative to US multi-national corporations. In contrast the proxy coups in South America led to large scale privatization and profits for US MNC.

The Afghan proxy war led to the rise and consolidation of the Taliban "Islamic regime" which opposed both Soviet influence and US imperial expansion. The rise and consolidation of Islamic nationalism in turn challenged US allies in South Asia and the Gulf region and subsequently led to a US military invasion in 2001 and a prolonged (15 year) war (which has yet to conclude), and most probably to a military retreat and defeat. The main economic beneficiaries were Afghan political clients, US mercenary military "contractors", military procurement officers and civilian colonial administrators who pillaged hundreds of billions from the US Treasury in illegal and fraudulent transactions.

Pillage of the US Treasury in no way benefited the non-military MNC's. In fact the war and resistance movement undermined any large scale, long-term entry of US private capital in Afghanistan and adjoining border regions of Pakistan. The proxy war in Southern Africa devastated the local economies,

especially the domestic agricultural economy, uprooted millions of laborers and farmers and curtailed US corporate oil penetration for over two decades. The ‘positive’ outcome was the de-radicalization of the former revolutionary nationalist elite. However, the political conversion of the Southern African “revolutionaries” to neo-liberalism did not benefit the US MNC as much as the rulers turned kleptocratic oligarchs who organized patrimonial regimes in association with a diversified collection of MNC, especially from Asia and Europe.

The proxy wars in Central America had mixed results. In Nicaragua the Sandinista revolution defeated the US-Israeli backed Somoza regime but immediately confronted a US financed, armed and trained counter-revolutionary mercenary army (the “Contras”) based in Honduras. The US war destroyed, many of the progressive economic projects, undermined the economy and eventually led to an electoral victory by the US backed political client Violeta Chamorro. Two decades later the US proxies were defeated by a de-radicalized Sandinista led political coalition.

In El Salvador, Guatemala and Honduras, the US proxy wars led to the consolidation of client regimes presiding over the destruction of the productive economy, and the flight of millions of war refugees to the United States. US imperial dominance eroded the bases for a productive labor market which spawned the growth of murderous drug gangs. In summary, the US proxy wars succeeded, in most, cases in preventing the rise of nationalist-leftist regimes, but also led to the destructive of the economic and political bases of a stable and prosperous empire of neo-colonies.

Changing Structure, External and Internal Contingencies, Shifting Priorities and Global Constraints.

To understand the operations, structure and performance of US imperialism in Latin America, it is necessary to recognize the specific constellation of competing forces which shaped imperial state policies. Unlike the Middle East where the militarist-Zionist faction has established hegemony, in Latin America the MNC have played a leading role in directing imperial state policy. In Latin America, the militarists played a lesser role, constrained by (1) the power of the MNC, (2) the shifts in political power in Latin America from right to center-left (3) the impact of economic crises and the commodity boom. In contrast to the Middle East, the Zionist power configuration has little influence over imperial state policy, as Israel’s interests are focused on the Middle East and, with the possible exception of Argentina, Latin America is not a priority.

For over a century and a half, the US MNC and banks dominated and dictated US imperial policy toward Latin America. The US armed forces and

CIA were instruments of economic imperialism via direct intervention (invasions), proxy 'military coups', or a combination of both.

US imperial economic power in Latin America 'peaked' between 1975-1999. Vassal states and client rulers were imposed via proxy military coups, direct military invasions (Dominican Republic, Panama and Grenada) and military-civilian controlled elections. The results were the dismantling of the welfare state and the imposition of neo-liberal policies. The MNC led imperial state and its international financial appendages (IMF, WB, IDB) privatized lucrative strategic economic sectors, dominated trade and projected a regional integration scheme which would codify US imperial dominance.

Imperial economic expansion in Latin America was not simply a result of the internal dynamics and structures of the MNC but depended on (1) the receptivity of the 'host' country or more precisely the internal correlation of class forces in Latin America which in turn revolved around (2) the performance of the economy – its growth or susceptibility to crises. Latin America demonstrates that contingencies such as the demise of client regimes and collaborator classes can have a profound negative impact on the dynamics of imperialism, undermining the power of the imperial state and reversing the economic advance of the MNC.

The advance of US economic imperialism during the 1975-2000 period was manifest in the adoption of neo-liberal policies, the pillage of national resources, the increase of illicit debts and the overseas transfer of billions of dollars. However, the concentration of wealth and property, precipitated a deep socio-economic crises throughout the region which eventually led to the overthrow or ouster of the imperial collaborators in Ecuador, Bolivia, Venezuela, Argentina, Brazil, Uruguay, Paraguay and Nicaragua. Powerful anti-imperialist social movements especially in the countryside emerged in Brazil and the Andean countries. Urban unemployed workers movements and public employees unions in Argentina and Uruguay spearheaded electoral changes, bringing to power center-left regimes which 're-negotiated' relations with the US imperial state.

US MNC influence in Latin America waned. They could not count on the full battery of military resources of the imperial state to intervene and re-impose neo-liberal clients because of its military priorities elsewhere: the Middle East, South Asia and North Africa. Unlike the past, the US MNC in Latin America lacked two essential props of power: the full backing of the US armed forces and powerful civilian-military clients in Latin America. The US MNC's plan for US centered integration was rejected by the center-left regimes. The imperial state turned to bilateral free trade agreements with Mexico, Chile, Colombia, Panama and Peru. As a result of the economic crises and collapse of most Latin

American economies, “neo-liberalism”, the ideology of imperial economic penetration, was discredited.

Neo-liberal advocates marginalized.

Changes in the world economy had a profound impact on US—Latin America trade and investment relations. The dynamic growth of China and the subsequent boom in demand and the rising prices of commodities, led to a sharp decline of US dominance of Latin American markets.

Latin American states diversified trade, sought and gained new overseas markets, especially in China. The increase in export revenues created greater capacity for self-financing. The IMF, WB and IDB, economic instruments for leveraging US financial impositions (“conditionality”), were sidelined. The US imperial state faced Latin American regimes who embraced diverse economic options, markets and sources of financing. With powerful domestic popular support and unified civilian-military command, Latin America moved tentatively out of the US sphere of imperialist domination.

The imperial state and its MNC, deeply influenced by their “success” in the 1990’s, responded to the decline of influence by proceeding by ‘trial and error’, in the face of the negative constraints of the 21st century. The MNC backed policymakers in the imperial state continued to back the collapsing neo-liberal regimes, losing all credibility in Latin America. The imperial-state failed to accommodate changes—deepening popular and center-left regime opposition to “free markets” and the deregulation of banks. No large scale economic aid programs, like President Kennedy’s effort to counter the revolutionary appeal of the Cuban revolution by promoting social reforms via the ‘Alliance for Progress’, were fashioned to win over the center-left, probably because of budget constraints resulting from costly wars elsewhere.

The demise of neo-liberal regimes, the glue that held the different factions of the imperial state together, led to competing proposals of how to regain dominance. The ‘militarist faction’ resorted to and revived the military coup formula for restoration: coups were organized in Venezuela, Ecuador, Bolivia, Honduras and Paraguay . . . all were defeated, except the latter two. The defeat of US proxies led to the consolidation of the independent, anti-imperialist center-left regimes. Even the “success” of the US coup in Honduras resulted in a major diplomatic defeat, as every Latin American government condemned it and the US role, further isolating Washington in the region.

The defeat of the militarist strategy strengthened the political-diplomatic faction of the imperial state. With positive overtures toward ostensibly ‘center-left regimes’, this faction gained diplomatic leverage, retained military ties and deepened the expansion of MNC in Uruguay, Brazil, Chile and Peru. With the latter two countries the economic imperialist faction of the imperial state

secured bilateral free trade agreements. A third MNC—military faction, overlapping with the previous two, combined diplomatic-political accommodations toward Cuba, with an aggressive political destabilization strategy aimed at “regime change” (coup) in Venezuela.

The heterogeneity of imperial state factions and their competing orientations, reflects the complexity of interests engaged in empire building in Latin America and results in seemingly contradictory policies, a phenomenon less evident in the Middle East where the militarist -Zionist power configuration dominates imperial policymaking. For example the promotion of military bases and counter-insurgency operations in Colombia (a priority of the militarist faction) is accompanied by bilateral free market agreements and peace negotiations between the Santos regime and the FARC armed insurgency (a priority of the MNC faction).

Regaining imperial dominance in Argentina involves, (1) promoting the electoral fortunes of the neo-liberal governor of Buenos Aires Macri, (2) backing the pro- imperial media conglomerate, Clarin, facing legislation breaking up its monopoly (3) exploiting the death of prosecutor and CIA-Mossad collaborator, Alberto Nisman to discredit the Kirchner-Fernandez regime (4) backing New York speculators’ (vulture) investment fund attempting to extract exorbitant interest payments and, with the aid of a dubious judicial ruling, blocking Argentina’s access to financial markets. Both the militarist and MNC factions of the imperial state converge in backing a multi-pronged electoral—and coup approach, which seeks to restore a US controlled neo-liberal regimes to power.

The contingencies which forestalled the recovery of imperial power over the past decade are now acting in reverse. The drop in commodity prices has weakened post neo-liberal regimes in Venezuela, Argentina and Ecuador. The ebbing of anti-imperialist movements resulting from center-left co-optation tactics has strengthened imperial state backed right-wing movements and street demonstrators. The decline in Chinese growth has weakened the Latin American market diversification strategies. The internal balance of class forces has shifted to the Right, toward US backed political clients in Brazil, Argentina, Peru and Paraguay.

Theoretical Reflections on Empire Building in Latin America

US empire building in Latin America is a cyclical process, reflecting the structural shifts in political power, and the restructuring of the world economy—forces and factors which ‘override’ the imperial state and capital’s drive to accumulate. Capital accumulation and expansion does not depend merely on the impersonal forces of “the market” —because the social relations under which the “market” functions, operate under the constraints of the class

struggle. The centerpiece of imperial state activities—namely the prolonged territorial wars in the Middle East—are absent in Latin America. The driving force of US imperial state policy is the pursuit of resources (agro-mining), labor power (low paid autoworkers), markets (size and purchasing power of 600 million consumers). The economic interests of the MNC are the motives for imperial expansion. Even as, from a geo-strategic vantage point, the Caribbean, Central America as well as South America are located most proximate to the US, economic not military objectives predominate.

However, the militarist-Zionist faction in the imperial state, ignore these traditional economic motives and deliberately choose to act on other priorities—control over oil producing regions, destruction of Islamic nations or movements or simply to destroy anti-imperialist adversaries. The militarists-Zionist faction counted the “benefits” to Israel, its Middle East military supremacy, more important than the US securing economic supremacy in Latin America. This is clearly the case if we measure imperial priorities by state resources expended in pursuit of political goals.

Even if we take the goal of “national security”, interpreted in the broadest sense, of securing the safety of the territorial homeland of the empire, the US military assault of Islamic countries driven by accompanying Islamophobic ideology and the resulting mass killings and uprooting a millions of Islamic people, has led to “blowback”: reciprocal terrorism. US “total wars” against civilians has provoked Islamic assaults against the citizens of the West.

Latin America countries targeted by economic imperialism are less belligerent than Middle Eastern countries targeted by US militarists. A cost/benefits analysis would demonstrate the totally “irrational” nature of militarist strategy. However, if we take account of the specific composition and interests that motivate particularly imperial state policymakers, there is a kind of perverse “rationality.” The militarists defend the “rationality” of costly and unending wars by citing the advantages of seizing the ‘gateways to oil’ and the Zionists cite their success in enhancing Israel’s regional power. Whereas Latin America, for over a century was a priority region of imperial economic conquest, by the 21st century it lost primacy to the Middle East.

The Demise of the USSR and China’s conversion to Capitalism

The greatest impetus to successful US imperial expansion did not take place via proxy wars or military invasions. Rather, the US Empire achieved its greatest growth and conquest, with the aid of client political leaders, organizations and vassal states throughout the USSR, Eastern Europe, the Baltic States the Balkans and the Caucuses. Long term, large scale US and EU political penetration and

funding succeeded in overthrowing the hegemonic collectivist regimes in Russia and the USSR, and installing vassal states. They would soon serve NATO and be incorporated in the European Union. Bonn annexed East Germany and dominated the markets of Poland, the Czech Republic and other Central European states. US and London bankers collaborated with Russian-Israeli gangster-oligarchs in joint ventures plundering resources, industries, real estate and pension funds. The European Union exploited tens of millions of highly trained scientists, technicians and workers – by importing them or stripping them of their welfare benefits and labor rights and exploiting them as cheap labor reserves in their own country.

“Imperialism by invitation” hosted by the vassal Yeltsin regime, easily appropriated Russian wealth. The ex-Warsaw Pact military forces were incorporated into a foreign legion for US imperial wars in Afghanistan, Iraq and Syria. Their military installations were converted into military bases and missile sites encircling Russia. US imperial conquest of the East, created a “unipolar world” in which Washington decision-makers and strategists believed that, as the world’s supreme power, they could intervene in every region with impunity. The scope and depth of the US world empire was enhanced by China’s embrace of capitalism and its ruler’s invitation to US and EU MNC to enter and exploit cheap Chinese labor. The global expansion of the US Empire, led to a sense of unlimited power, encouraging its rulers’ to exercise power against any adversary or competitor.

Between 1990 and 2000, the US expanded its military bases to the borders of Russia. US MNC expanded into China and Indo-China. US backed client regimes throughout Latin America dismantled the national economies, privatizing and denationalizing over five thousand lucrative strategic firms. Every sector was affected- natural resources, transport, telecommunications and finance. The US proceeded throughout the 1990’s to expand via political penetration and military force. President George H. W. Bush launched a war against Iraq. Clinton bombed Yugoslavia and Germany and the EU joined the US in dividing Yugoslavia into ‘mini states’

The Pivotal Year 2000: the Pinnacle and Decline of Empire

The very rapid and extensive imperial expansion, between 1989-1999, the easy conquests and the accompanying plunder, created the conditions for the decline of the US Empire. The pillage and impoverishment of Russia led to the rise of a new leadership under President Putin intent on reconstructing the state and economy and ending vassalage. The Chinese leadership harnessed its dependence on the West for capital investments and technology, into

instruments for creating a powerful export economy and the growth of a dynamic national public-private manufacturing complex.

The imperial centers of finance which flourished under lax regulation crashed. The domestic foundations of empire were severely strained. The imperial war machine competed with the financial sector for federal budgetary expenditures and subsidies. The easy growth of empire, led to its over-extension. Multiple areas of conflict, reflected world-wide resentment and hostility at the destruction wrought by bombings and invasions. Collaborative imperial client rulers were weakened. The world-wide empire exceeded the capacity of the US to successfully police its new vassal states. The colonial outposts demanded new infusions of troops, arms and funds at a time when countervailing domestic pressures were demanding retrenchment and retreat. All the recent conquests – outside of Europe – were costly. The sense of invincibility and impunity led imperial planners to overestimate their capacity to expand, retain, control and contain the inevitable anti-imperialist resistance.

The crises and collapse of the neo-liberal vassal states in Latin America accelerated. Anti-imperialist uprisings spread from Venezuela (1999), to Argentina (2001), Ecuador (2000-2005) and Bolivia (2003-2005). Center-left regimes emerged in Brazil, Uruguay and Honduras. Mass movements, in rural regions, among Indian and mining communities gained momentum. Imperial plans formulated to secure US centered integration were rejected. Instead multiple regional pacts excluding the US proliferated-ALBA, UNASUR, CELAC. Latin America's domestic rebellion coincided with the economic rise of China. A prolonged commodity boom severely weakened US imperial supremacy. The US had few local allies in Latin America and over ambitious commitments to control the Middle East, South Asia and North Africa.

Washington lost its automatic majority in Latin America: its backing of coups in Honduras and Paraguay and its intervention in Venezuela (2002) and blockade of Cuba was repudiated by every regime, even by conservative allies. Having easily established a global empire, Washington found it was not so easy to defend it. Imperial strategists in Washington viewed the Middle East wars through the prism of the Israeli military priorities, ignoring the global economic interests of the MNC. Imperial military strategists overestimated the military capacity of vassals and clients, ill-prepared by Washington to rule in countries with growing armed national resistance movements. Wars, invasions and military occupations were launched in multiple sites. Yemen, Somalia, Libya, Syria, Pakistan were added to Afghanistan and Iraq. US imperial state expenditures far exceeded any transfer of wealth from the occupied countries.

A vast civilian, military, mercenary bureaucracy pillaged hundreds of billions of dollars from the US Treasury.

The centrality of wars of conquest, destroyed the economic foundations and institutional infrastructure necessary for MNC entry and profit. Once entrenched in strategic military conceptions of empire, the military-political leadership of the imperial state fashioned a global ideology to justify and motivate a policy of permanent and multiple warfare. The doctrine of the ‘war on terror’ justified war everywhere and nowhere. The doctrine was ‘elastic’—adapted to every region of conflict and inviting new military engagements: Afghanistan, Libya, Iran and Lebanon were all designated as war zones. The ‘terror doctrine’, global in scope, provided a justification for multiple wars and the massive destruction (not exploitation) of societies and economic resources.

Above all the “war on terrorism” justified torture (Abu Ghraib) and concentration camps (Guantanamo), and civilian targets (via drones) anywhere. Troops were withdrawn and returned to Afghanistan and Iraq as the nationalist resistance advanced. Thousands of Special Forces in scores of countries were active, purveying death and mayhem. Moreover, the violent uprooting, degradation and stigmatization of entire Islamic people led to the spread of violence in the imperial centers of Paris, New York, London, Madrid and Copenhagen. The globalization of imperial state terror led to individual terror. Imperial terror evoked domestic terror: the former on a massive, sustained scale encompassing entire civilizations and conducted and justified by elected political officials and military authorities. The latter by a cross section of ‘internationalists’ who directly identified with the victims of imperial state terror.

Imperialism: Present and Future Perspectives

To understand the future of US imperialism it is important to sum up and evaluate the experience and policies of the past quarter of a century. If we compare, US empire building between 1990 and 2015, it is clearly in decline economically, politically and even militarily in most regions of the world, though the process of decline is not linear and probably not irreversible.

Despite talk in Washington of reconfiguring imperial priorities to take account of MNC economic interests, little has been accomplished... Obama’s so-called “pivot to Asia” has resulted in new military base agreements with Japan, Australia and the Philippines surrounding China and reflects an inability to fashion free trade agreements that exclude China. Meantime, the US has militarily re-started the war and reentered Iraq and Afghanistan in addition to launching new wars in Syria and the Ukraine. It is clear that

the primacy of the militarist faction is still the determinant factor in shaping imperial state policies.

The imperial military drive is most evident in the US intervention in support of the coup in the Ukraine and subsequent financing and arming of the Kiev junta. The imperial takeover of the Ukraine and plans to incorporate it into the EU and NATO, represents military aggression in its most blatant form: The expansion of US military bases and installations and military maneuvers on Russia's borders and the US initiated economic sanctions, have severely damaged EU trade and investment with Russia.. US empire building continues to prioritize military expansion even at the cost of Western imperial economic interests in Europe. The US-EU bombing of Libya destroyed the burgeoning trade and investment agreements between imperial oil and gas MNC and the Gadhafi government... NATO air assaults destroyed the economy, society and political order, converting Libya into a territory overrun by warring clans, gangs, terrorists and armed thuggery.

Over the past half century, the political leadership and strategies of the imperial state have changed dramatically. During the period between 1975–1990, MNC played a central role in defining the direction of imperial state policy: leveraging markets in Asia; negotiating market openings with China; promoting and backing neo-liberal military and civilian regimes in Latin America; installing and financing pro-capitalist regimes in Russia, Eastern Europe, the Baltic and Balkan states. Even in the cases where the imperial state resorted to military intervention, Yugoslavia and Iraq, the bombings led to favorable economic opportunities for US MNC .The Bush Sr regime promoted US oil interests via an oil for food agreement with Saddam Hussein in Iraq.

Clinton and free market regimes in the mini-states resulting from the break-up of socialist Yugoslavia

However, the imperial state's leadership and policies shifted dramatically during the late 1990's onward. President Clinton's imperial state was composed of long-standing MNC representatives, Wall Street bankers and newly ascending militarist Zionist officials. The result was a hybrid policy in which the imperial state actively promoted MNC opportunities under neo-liberal regimes in the ex-Communist countries of Europe and Latin America, and expanded MNC ties with China and Viet Nam while launching destructive military interventions in Somalia, Yugoslavia and Iraq.

The 'balance of forces' within the imperialist state shifted dramatically in favor the militarist-Zionist faction with 9/11: the terrorist attack of dubious origins and false flag demolitions in New York and Washington served to entrench the militarists in control of a vastly expanded imperial state apparatus.

As a consequence of 9/11 the militarist-Zionist faction of the imperial state subordinated the interests of the MNC to its strategy of total wars. This in turn led to the invasion, occupation and destruction of civilian infrastructure in Iraq and Afghanistan (instead of harnessing it to MNC expansion). The US colonial regime dismantled the Iraqi state (instead of re-ordering it to serve the MNC). The assassination and forced out -migration of millions of skilled professionals, administrators, police and military officials crippled any economic recovery (instead of their incorporation as servants of the colonial state and MNC).

The militarist-Zionist ascendancy in the imperial state introduced major changes in policy, orientation, priorities and the modus operandi of US imperialism. The ideology of the “global war on terror” replaced the MNC doctrine of promoting “economic globalization.” Perpetual wars (“terrorists” were not confined to place and time) replaced limited wars or interventions directed at opening markets or changing regimes which would implement neo-liberal policies benefiting US MNC. The locus of imperial state activity shifted from exploiting economic opportunities, in Asia, Latin America and the ex-Communist countries of Eastern Europe to wars in the Middle East, South Asia and North Africa – targeting Moslem countries which opposed Israel’s colonial expansion in Palestine, Syria, Lebanon and elsewhere.

The new militarist – power configuration’s conception of empire building required vast – trillion dollar – expenditures, without care or thought of returns to private capital. In contrast, under the hegemony of the MNC, the imperial state, intervened to secure concessions of oil, gas and minerals in Latin America and the Middle East. The costs of military conquest were more than compensated by the returns to the MNC. The militarist imperial state configuration pillaged the US Treasury to finance its occupations, financing a vast army of corrupt colonial collaborators, private mercenary ‘military contractors’ and, soon to be millionaire, US military procurement (sic) officials.

Previously, MNC directed overseas exploitation led to healthy returns to the US Treasury both in terms of direct tax payments and via the revenues generated from trade and the processing of raw materials. Over the past decade and a half, the biggest and most stable returns to the MNC take place in regions and countries where the militarized imperial state is least involved—China, Latin America and Europe. The MNC’s have profited least and have lost most in areas of greatest imperial state involvement.

The ‘war zones’ that extend from Libya, Somalia, Lebanon, Syria, Iraq, Ukraine, Iran and Afghanistan and Pakistan are the regions where imperial MNC have suffered the biggest decline and exodus. The main “beneficiaries” of the current imperial state policies are the war contractors and the security-military-industrial complex in the US. oversees the state beneficiaries include Israel and Saudi Arabia...In addition Jordanian, Egyptian, Iraqi, Afghani and

Pakistani client rulers have squirreled away tens of billions in off-shore private bank accounts. The “non-state” beneficiaries include mercenary, proxy armies .In Syria, Iraq, Libya, Somalia and the Ukraine, tens of thousands of collaborators in self-styled “non-governmental” organizations have also profited.

The Lost-Benefit Calculus under the Aegis of the Militarist-Zionist Imperial State

Sufficient time has passed over the past decade and a half of militarist-Zionist dominance of the imperial state to evaluate their performance. The US and its Western European allies, especially Germany successfully expanded their empire in Eastern Europe, the Balkans and the Baltic regions without firing a shot. These countries were converted into EU vassal states. Their markets dominated and industries denationalized. Their armed forces were recruited as NATO mercenaries. West Germany annexed the East. Cheap educated labor, as immigrants and as a labor reserve, increased profits for EU and US MNC. Russia was temporarily reduced to a vassal state between 1991—2001. Living standards plunged and welfare programs were reduced. Mortality rates increased. Class inequalities widened. Millionaires and billionaires seized public resources and joined with the imperial MNC in plundering the economy. Socialist and Communist leaders and parties were repressed or co-opted.

In contrast imperial military expansion of the 21st century, was a costly failure. The ‘war in Afghanistan’ was costly in lives and expenditures and led to an ignominious retreat. What remained was a fragile puppet regime and an unreliable mercenary military. The US-Afghanistan war was the longest war in US history and one of the biggest failures. In the end the nationalist-Islamist resistance movements—the so-called “Taliban” and allied ethno-religious and nationalist anti-imperialist resistance groups- dominate the countryside, repeatedly penetrate and attack urban centers and prepare to take power.

The Iraq war and the imperial state’s invasion and decade long occupation decimated the economy. The occupation fomented ethno religious warfare. The secular Baa’thist officers and military professionals joined with Islamist-nationalists and subsequently formed a powerful resistance movement (ISIS) which defeated the imperial backed Shia mercenary army during the second decade of the war. The imperial state was condemned to re-enter and engage directly in a prolonged war. The cost of war spiraled to over a trillion dollars. Oil exploitation was hampered and the US Treasury poured tens of billions to sustain a “war without end.”

The US imperial state and the EU, along with Saudi Arabia and Turkey financed armed Islamic mercenary militias to invade Syria and overthrow the

secular, nationalist, anti-Zionist Bashar Assad regime. The imperial war opened the door for the expansion of the Islamic—Ba’thist forces—ISIS—into Syria. The Kurds and other armed groups seized territory, fragmenting the country. After nearly 5 years of warfare and rising military costs the US and EU MNC have been cut off from the Syrian market.

US support for Israeli aggression against Lebanon has led to the growth in power of the anti-imperialist Hezbollah armed resistance. Lebanon, Syria and Iran now represent a serious alternative to the US, EU, Saudi Arabia, Israeli axis. The US sanctions policy toward Iran has failed to undermine the nationalist regime and has totally undercut the economic opportunities of all the major US and EU oil and gas MNC as well as US manufacturing exporters. China has replaced them. The US-EU invasion of Libya led to the destruction of the economy and the flight of billions in MNC investments and the disruption of exports. The US imperial states’ seizure of power via a proxy coup in Kiev, provoked a powerful anti-imperialist rebellion led by armed militia in the East (Donetsk and Luhansk) and the decimation of the Ukraine economy.

In summary, the military-Zionist takeover of the imperial state has led to prolonged, unwinnable costly wars which have undermined markets and investment sites for US MNC. Imperial militarism has undermined the imperial economic presence and provoked long-term, growing anti-imperialist resistance movements, as well as chaotic, unstable and unviable countries out of imperial control. Economic imperialism has continued to profit in parts of Europe, Asia, Latin America and Africa despite the imperial wars and economic sanctions pursued by the highly militarized imperial state elsewhere.

However, the US militarists’ seizure of power in the Ukraine and the sanctions against Russia have eroded EU’S profitable trade and investments in Russia. The Ukraine under IMF-EU-US tutelage has become a heavily indebted, broken economy run by kleptocrats who are totally dependent on foreign loans and military intervention. Because the militarized imperial state prioritizes conflict and sanctions with Russia, Iran and Syria, it has failed to deepen and expand its economic ties with Asia, Latin America and Africa. The political and economic conquest of East Europe and parts of the USSR has lost significance. The perpetual, lost wars in the Middle East, North Africa and the Caucasus have weakened the imperial state’s capacity for empire building in Asia and Latin America.

The outflow of wealth, the domestic cost of perpetual wars has eroded the electoral foundations of empire building. Only a fundamental change in the composition of the imperial state and a reorientation of priorities toward centering on economic expansion can alter the current decline of empire. The danger is that as the militarist- Zionist imperialist state pursues losing wars, it

may escalate and raise the ante, and move toward a major nuclear confrontation: an empire amidst nuclear ashes!

In sum, for the past fifty years and running imperialist wars have raged across the world in a variety of ways, especially structural violence. This form of violence consists of economic, political and cultural dynamics that work systematically through social structures to oppressively create human suffering and constrain human agency. It is ‘structural’ in the sense that the suffering is not produced by direct one-on-one acts of violence such as spousal abuse, lynching or torture – although even these kinds of inter-personal violence are clearly tied to social structures (including patriarchy, white supremacy and militarism) that extend beyond the individuals involved. Structural violence is still less personal, intentional and direct “[s]ince the misery in question need not involve bullets, knives, or implements of torture” (Farmer, 2005: 8). It involves more mediated and multi-factor forms of oppression in which sexism, racism, homophobia and other forms of social pathology frequently come together with economic exploitation and deprivation.

For Farmer it is therefore “a broad rubric that includes a host of offenses against human dignity ... ranging from racism to gender inequality... [to] extreme and relative poverty” (Farmer, 2005: 8). He cautions against economic reductionism (i.e. explaining everything in terms of economic dynamics), but it is nevertheless clear that he thinks “the world’s poor are the chief victims of structural violence” (2005: 50). It is in turn his driving concern to explain poverty as a kind of generalized “coinfection” (Kidder, 2003: 198) creating the context for disease that accounts for why Farmer frequently talks about structural violence as if it operated like an unseen virus destroying a patient’s immune system. While the visible hands of abusive husbands, white supremacists and military interrogators all go on producing suffering, Farmer emphasizes that structural violence more generally involves invisible hands that produce global inequality through transnational political-economic processes. “Only through careful analysis of growing transnational inequalities,” he therefore underlines, “will we understand the complex social processes that structure risk” (2005: 18). In fact, militarism and imperialism are “inherent features of capitalist economic development...” (O’Connor, 1971:151). It is in this context that militarism often appears in the form of nationalism which in turn reinforces militarism and the line between nationalistic sentiments and militaristic tendencies appears blurred.

Neoliberal Imperialism on the Offensive from the 1980s

The rise of neo-liberalism and the worsening fiscal crisis of the state-the era of Post Classic Social Imperialism is eloquent testimony. From the 1980s the

advent of economic neo-liberalism followed a persistent global economic crisis in the West. The so called “Reaganomics” in the U.S. and “Thatcherism” in Britain were the epitome of neoliberalism and a direct consequence of a growing accumulation problem in the global economy. The interruption in the global accumulation cause by the Iranian Revolution, the Nicaraguan Revolution, invasion of Afghanistan by former USSR, and the domestic working class demands on capital revived neo-liberalism and militarism. Neo-liberalism manifested itself in the relentless pursuit of obscenely high rates of profit through deregulation, privatization and rugged individualism and militarism came to define the core of U.S. foreign policy of containing USSR and the challenges to hegemonic practices on the part of the labor and national Liberation Fronts.

The political ideology of this period was a rehabilitated Social Darwinism and free market fundamentalism. This in turn reinforced a hysterical nationalism and demanded greater jingoism of the corporate media. Growing US Military spending in the 1980s, economic growth through deficit spending, tax cuts for the rich, reduction in social services were manifestations of changing national and global priorities. The global context was characterized by Race for Resources and hegemonic tendencies-Machiavellian and imperialistic. Domestically, the pro-business policies were hailed as a clean break with the troubling labor dictated condition.

From the late 1970s the attempt at the eradication of the “anti-business” climate manifested itself in an all-out attack strategy by neo-liberalism with a global reach. In the post 1970s legitimation is no longer the concern it was in the era of the Cold War. Allan Greenspan, the former Chairman of the U.S Federal Reserve System whose statements were perceived as policy statements once remarked that “insecure workers are good for the economy as they keep inflation low” (Congressional testimony 2/26/97). Demoralized labor, insecure labor, unorganized (de-unionized) labor, and threatened labor are necessary and effective components of struggle for legitimacy and hegemony. In retrospect the fiscal crisis of the 1970s was unique in that the state expenditures for the dual purposes of accumulation and legitimation were signs of the power of the organized labor’s ability to negotiate better contracts.

From the late 1970s and particularly in the 1980s labor lost its ability to regroup and maintain its ability to collectively bargain. Reaganomics and Thatcherism were the two most ideologically anti-labor attempts at restoring capital’s long run hegemony. Comparatively speaking, the current crisis has reached a point of no return for two important reasons-legitimation imperatives and burgeoning national debt. The reduction in social expenditures (war on the poor) out of necessity must be replaced by a set of effective legitimacy generating mechanisms. In the 1980s, tax cuts for the rich coupled with

increases in spending caused an annual increase of 13.8% in the national debt. During his two terms Reagan increased the national debt by 200% (from under one trillion to \$2.6 trillion (McGourty, 2006).

Beginning with the rise of economic neo-liberalism and the global capitalist assault on the working class in the 1980s and the uncompromising and determined policy of crushing all opposition to its rule around the world, military might became indispensable. Massive pouring of resources into the military industrial complex and the massive tax cuts for the rich in the United States resulted in the first trillion dollar of accumulated deficits in the 1980-81. The grand aim was the dismantling of the Soviet “evil empire” through a crippling arms race initiated by the Reagan administration in the United States and Margaret Thatcher in Britain. In the meantime, the ideology of neo-liberalism aided by militarism was to facilitate accumulation on a global scale.

Two interruptions in the accumulation process namely the Iranian Revolution of 1979 and the Nicaraguan Revolution were viewed as challenges to global accumulation. The Iranian Revolution was to be at least confined within the borders, if not completely eliminated. Therefore, Saddam Hussein was called upon to respond to that challenge by attempting to invade Iran, but bogged down in an 8 year long war of attrition. The Nicaraguan Revolution was challenged by the army of Contras aided by the Reagan Administration and the rest is a story well told. The United States, however continued with the tradition of American intervention (militarily and otherwise) in the affairs of Latin America. To meet the demand of the military spending, the Reagan Administration and the succeeding administrations ran high budget deficits.

Accumulation by dispossession” is the hallmark of neo-liberal economic policy (Harvey, 2006:6). Globally, the accumulation by dispossession involves indebtedness, privatization of state owned industries, free trade which is suffocating the most vulnerable countries and military interventions. The attack on the poor through indebtedness, eminent domain, pension raiding, and declining access to social services becomes more problematic (Harvey, 2006:8). Indeed, the essence of neo-liberalism globally as well as domestically involves the domination of capital over labor. In the era of post classic social imperialism, the implementation of globalization and the entire hegemonic and imperialistic strategy involves a violent attack on the working class and the poor of the world disguised as free trade, democracy, freedom, and civility. Inequality both in its creation as well as its maintenance involves violence, for it demands expropriation and exploitation and the means of coercion to achieve these ends.

Around the world, neo-liberal policies in the form of austerity measures are imposed by powerful multilateral financial institutions like the International Monetary Fund (IMF), the World Bank, and WTO. Aided by these supra-national agencies, global capitalism is steered on the path prescribed by the neo-

liberal economic policy (market orientation, privatization and deregulation) for the ultimate goal of creating smooth global conditions for accumulation. In the 1980s and 1990s, global capital mobility and trade increased, but the plight of the workers, growth and employment opportunities showed no major improvement.

On the contrary what appeared to be more noticeable was the burden of national debt and declining collective bargaining power on a global scale (Cohen and Centeno, 2005). Indeed the application of Keynesianism both nationally and globally was aided by the Bretton Woods' new International Monetary System and its two powerful supranational institutions of the IMF (through its austerity measures) and the World Bank (ostensibly under United Nations' auspices) and as instruments of centralization of capital against the global working class struggle (Phillips, 1980:126).

In the American context, the neo-liberal economic strategy and the slogan of *Laissez Faire* overshadowed all corporate accountability even to their own shareholders. The merger mania of the 80s and 90s was indicative of capital's strategy for greater consolidation and centralization. In the 1990s, globalization intensified and exceeded all prior efforts and with it came the socialization of its costs. The imperial projects such as globalization is very expensive and according to Chalmers Johnson (2007: 63) "The flow of nation's wealth from taxpayers and to (increasingly foreign) lenders through the government to military contractors and (decreasingly) back to the taxpayers" is in the tradition of what Kalecki called "military Keynesianism." Neoliberal globalization even if it is sanitized and defined as "expansion of the free market" has been a mechanism for greater accumulation on a world scale. Effective globalization requires an international capitalist class alliance along with institutions and ideologies both at the national and global level. The significant institutions in this regard are those of finance capital and equally important the military industrial complex. To protect the alliance, and when necessary to project power, military force is required and this gives rise to the state of permanent war. Globalization as imperialism needs an infrastructure on a global scale.

The World Trade Organization (WTO) is one component of that infrastructure charged with making sure that globalization and therefore, accumulation process proceeds uninterrupted. The WTO formalized imperialism of trade engineered by the old "historical bloc" through standardization. The denationalization of the nation-states' polity through incorporation of the nation-states' participation in the process of accumulation legitimizes the process and presents it as voluntary participation. While in the 1990s it appeared that militarism was no longer as overt as in the 1980s, in reality the military industrial complex continued to exert influence on a global scale. The militarism of the 1990s was relatively subdued but still alive and well in an

ostensibly.” ...demilitarized world in which business activity is primary and political power has no other task than the protection of the world free-trading system” (Lorimer, 1997:13).

Throughout the 1990s the U.S. military buildup continued as it did in the 1980s and as does now serving as a mechanism for greater globalization. Aided by the military, the push for greater integration of the world capitalist system with a touch of colonialism and an unprecedented degree of practice of Social Imperialism continues in its most perverse form. Increases in state expenditures on the military mainly financed through borrowing, has created the need for an alternative means of social control. It is not accidental that we have seen a growing reliance on the culture of fear as a mechanism to mobilize public opinion in favor of militarism abroad. The psychology of living in fear on the part of the public on the one hand and dependence on fear for the purposes of effective social imperialism on the other have worked hand in hand to replace the fear of communism with the fear of radical Islam.

The militarization of specific society and of the planet requires an effective propaganda. Fred J. Cook (1964:100), observing the late 1950s and early 60s wrote: “The crutch of the Warfare State is propaganda. We must be taught to fear and to hate or we will not agree to regiment our lives, to bear the enormous burdens of ever heavier taxation to pay for ever more costly military hardware....at the expense of domestic programs...” This problem has become much more severe of late and matched only by the level of public ignorance in the US. Thus, a free hand in the allocation of public funds to military and military related activities and the exhaustion of credit limits as the need to borrow increases with every annual budget preparation and military action abroad.

Yet, government borrowing continues to be one of the mechanisms of redistribution of income upwards. And as long as the general public remains ignorant of the facts and by extension there are no incentives for the political establishment to change course, the long run damage to the socio-economic and the political structure will be irreversible. As James Fallows (2005) points out the current imperial wars are fought for so called “freedom” and “security” are producing results such as deficit financing, lowering the taxes on the rich, while at the same time “The deficit helps him more easily slash domestic social programs” (Cited in Street, 2005).

In the post WWII period in general and the post 911 era in particular, the culture of fear has been effectively incorporated into the toolbox of jingoism and propaganda. The conditioned to fear Americans were “longing” in the 1990s for “clear-cut enemy, an indisputable target for moral outrage” (Sterns, 2006:212). “We have seen Americans increasingly take not only data (real or imagined”, but also outright emotional cues from media promptings, using

presentations for guidance not only in public fear but also public grief... Media manipulation has been heightened, of course, by irresponsible political posturing. It was no accident that the most fear-soaked television channel after September 11, FOX News, was also closest to the Bush Administration...media and politicians manipulating and Americans sheepishly responding...." (Stearns, 2006:210).

Fear dampens the spirit, demoralizes, belittles personality and blocks rationality. The proponents of realpolitik are not as naive as they appear, they have as their brethren in economics and indeed on all fields dominated by the "organic" intellectuals, have a significant role to play in the overall imperial expansion. In fact some (such as Fernando Teson, 2005) go as far as suggesting that the United States has a duty to be a "humanitarian imperialist" by crushing regimes such as that of former Iraqi dictator Saddam Hussein, and the ideologues from the same genre of "organic intellectuals" have revisited the Vietnam and similar imperial Wars just to present them as legitimate and "humanitarian" interventions.

From the point of view of domestic classes, the demons of the "otherness", the unknown and the most troubling of all the shifting language in describing the American role in the World are viewed as sufficient reasons to cheer what the rest of the World sees as dangerous and costly militarism. Although social welfare expenditures continues to be a legitimacy generating mechanism, increasingly, the fear of the "enemy" as perpetuated by the sensationalist warmongering corporate media (just as in the nineteenth century jingoism of the British media) is a critical factor in establishing and implementing social imperialism. The difference was that the British jingoism defended imperialism outright with occasional references of the "civilizing mission" of the "infallible" and "superior" Anglo-Saxon race. The contemporary jingoism of the American media uses the rubric freedom and defense of "democracy", etc. etc. To subdue popular discontent, the empire resorts to a great degree of actual use of military power abroad and police action and surveillance at home.

Neoliberal Imperialism and the Logic of War Making

Commentaries on war stretching back more than two millennia to the Peloponnesian Wars have enshrouded the fundamental causes of war in an almost impenetrable fog of myths, fallacies, and outright lies. In most studies, war is generally portrayed as the inevitable outcome of either complex historical forces or accidental circumstances generally beyond the understanding or control of the human combatants.

Fortunately, there exists a science of human action that is applicable to all purposeful activities. This science is referred to as "praxeology." Although

economics is its most developed branch, the basic principles of this science can also be applied to analyzing violent action including warfare. Thus Murray Rothbard (204) wrote:

The rest of praxeology [besides economics] is an unexplored area. Attempts have been made to formulate a logical theory of war and violent action, and violence in the form of government has been treated by political philosophy and by praxeology in tracing the effects of violent intervention in the free market (p.74).

As Rothbard suggested, what we might call the “Logic of War Making” is a relatively undeveloped area of the science of human action. Its elaboration is therefore especially necessary if we are to dispel the mythology of war and elucidate its true origin and character. The basic axiom of this praxeological discipline is that war is the objective outcome of the human endeavor of *war making*.

As a human endeavor like any other, war making is the product of reason, purpose and choice. Therefore a proper analysis of war must take into account the goals of the war makers, the means at their disposal, the benefits they anticipate from the war and the costs they expect to incur in executing it. It also must distinguish in a general way between the individual beneficiaries and victims of war. These victims include not only the vanquished group of war makers and those who reside in the territory they control but especially the productive inhabitants of the region controlled by the victorious organization of war makers.

The Meaning of Imperialist War

At this point it is necessary to define war and distinguish it from other forms of inter-human violence in order to circumscribe the bounds of the logic of war making within the general praxeological system. For not all violent conflict constitutes war making. War is here defined as violent interaction between two groups of humans, one or both of which is a state. We adopt the definition of the state given by the anthropologist and historian of primitive warfare, Lawrence H. Keeley (1996):

States are political organizations [that] have a central government empowered to collect taxes, draft labor for public works or war, decree laws, and physically enforce those laws. Essentially states are class-stratified political units that maintain a “monopoly of deadly force”—a monopoly institutionalized as permanent police and military forces (1996:27).

Pre-civilized social groups such as bands, tribes and even chiefdoms are not states because, according to Keeley, “a chief, unlike a king, does not have the power to coerce people into obedience physically”, instead employing economic

means or exploiting a belief in magic to enforce his decrees (Ibid). Although Keeley refers to “pre-state warfare” or “primitive war”, for the purposes of praxeological analysis, we restrict the term the “war” to violent conflicts involving at least one state.

Combat between looser social groupings was most commonly motivated by vengeance for previous homicides or economic issues, especially access to natural resources and crude capital goods. For example in Minnesota the Chippewa and Dakota Sioux tribes battled one another for over 150 years over access to hunting territories and wild rice fields, while tribes in the Pacific Northwest frequently fought for frontage on the ocean and rivers giving access to the salmon run (Ibid.: 115). Anthropological studies show that, while most of these conflicts involved savage violence and extreme cruelty, often resulting in the expropriation, enslavement, expulsion or annihilation of the vanquished tribe, their purpose was never to establish a hegemonic relationship and exact regular tribute from the foe.

As Kelley explains, “Polities that lack the physical power to subjugate their own populations or to extract involuntary tribute or taxes from them are extremely unlikely to make war against others for these purposes, since they lack the institutional and administrative means to convert victory into hegemony or taxation” (Ibid.: 116). Thus, while both non-state social groups and states have historically engaged in the violent annexation of territories to acquire natural resources, only states possess the institutional means necessary to pursue a policy of imperialism i.e., the ongoing subjugation and economic exploitation of other peoples. Imperialist wars waged by states in every epoch of history are not accidental; they are the outcome of the powerful tendency to war making inherent in the very nature of the state.

War Making and Class Conflict

All governments past and present, regardless of their formal organization, involve the rule of the many by the few. In other words, all governments are fundamentally oligarchic. The reasons are twofold. First, governments are nonproductive organizations and can only subsist by extracting goods and services from the productive class in their territorial domain. Thus the ruling class must remain a minority of the population if they are to continually extract resources from their subjects or citizens. Genuine “majority rule” on a permanent basis is impossible because it would result in an economic collapse as the tribute or taxes expropriated by the more numerous rulers deprived the minority engaged in peaceful productive activities of the resources needed to sustain and reproduce itself. Majority rule would therefore eventually bring about a violent conflict between factions of the previous ruling class, which

would terminate with one group establishing oligarchic rule and economically exploiting its former confederates (Livingstone, 1939).

The second factor that renders oligarchic rule practically inevitable is related to the law of comparative advantage. The tendency toward division of labor and specialization based on the unequal endowment of skills pervades all sectors of human endeavor. Just as a small segment of the population is adept at playing professional football or dispensing financial advice, so a tiny fraction of the population tends to excel at wielding coercive power. As one writer summed up this Iron Law of Oligarchy: “[In] all human groups at all times there are the few who rule and the many who are ruled” (Murray, 1996: 45-69). The inherently nonproductive and oligarchic nature of government thus ensures that all nations under political rule are divided into two classes: a productive class and a parasitic class or, in the apt terminology of the American political theorist John C. Calhoun (1992), “taxpayers” and “tax-consumers” (1992:15-21).

The king and his court, elected politicians and their bureaucratic and special-interest allies, the dictator and his party apparatchiks—these are historically the tax-consumers and, not coincidentally, the war makers. War has a number of advantages for the ruling class. First and foremost, war against a foreign enemy obscures the class conflict that is going on domestically in which the minority ruling class coercively siphons off the resources and lowers the living standards of the majority of the population, who produce and pay taxes. Convinced that their lives and property are being secured against a foreign threat, the exploited taxpayers develop a “false consciousness” of political and economic solidarity with their domestic rulers. An imperialist war against a weak foreign state, e.g., Grenada, Panama, Haiti, Iraq, Afghanistan, Iran, etc. is especially enticing to the ruling class of a powerful nation such as the United States because it minimizes the cost of losing the war and being displaced by domestic revolution or by the rulers of the victorious foreign state.

A second advantage of war is that it provides the ruling class with an extraordinary opportunity to intensify its economic exploitation of the domestic producers through emergency war taxes, monetary inflation, conscripted labor, and the like. The productive class generally succumbs to these increased depredations on its income and wealth with some grumbling but little real resistance because it is persuaded that its interests are one with the war makers. Also, in the short run at least, modern war appears to bring prosperity to much of the civilian population because it is financed in large part by money creation.

We thus arrive at a universal, praxeological truth about war. War is the outcome of class conflict inherent in the political relationship—the relationship between ruler and ruled, parasite and producer, tax-consumer and taxpayer. The parasitic class makes war with purpose and deliberation in order to conceal and ratchet up their exploitation of the much larger productive class. It may also

resort to war making to suppress growing dissension among members of the productive class (libertarians, anarchists, etc.). who have become aware of the fundamentally exploitative nature of the political relationship and become a greater threat to propagate this insight to the masses as the means of communication become cheaper and more accessible, e.g., desktop publishing, AM radio, cable television, the Internet, etc. Furthermore, the conflict between ruler and ruled is a permanent condition. This truth is reflected—perhaps half consciously—in the old saying that equates death and taxes as the two unavoidable features of the human condition.

Thus, a permanent state of war or preparedness for war is optimal from the point of view of the ruling elite, especially one that controls a large and powerful state. Take the current US government as an example. It rules over a relatively populous, wealthy, and progressive economy from which it can extract ever larger boodles of loot without destroying the productive class. Nevertheless, it is subject to the real and abiding fear that sooner or later productive Americans will come to recognize the continually increasing burden of taxation, inflation, and regulation for what it really is—naked exploitation. So the US government, the most powerful mega-state in history, is driven by the very logic of the political relationship to pursue a policy of permanent war.

From “The War to Make the World Safe for Democracy” to “The War to End All Wars” to “The Cold War” and on to the current “War on Terror”, the wars fought by US rulers in the twentieth century have progressed from episodic wars restricted to well-defined theaters and enemies to a war without spatial or temporal bounds against an incorporeal enemy named “Terror.” A more appropriate name for this neoconservative-contrived war would involve a simple change in the preposition to a “War *of* Terror” —because the American state is terrified of productive, work-a-day Americans, who may someday awaken and put an end to its massive predations on their lives and property and maybe to the American ruling class itself.

In the meantime, the War on Terror is an open-ended imperialist war the likes of which were undreamt of by infamous war makers of yore from the Roman patricians to German National Socialists. The economist Joseph Schumpeter was one of the few non-Marxists to grasp that the primary stimulus for imperialist war is the inescapable clash of interests between rulers and ruled. Taking an early mega-state, Imperial Rome, as his example, Schumpeter wrote:

Here is the classic example ... of that policy which pretends to aspire to peace but unerringly generates war, the policy of continual preparation for war, the policy of meddlesome interventionism. There was no corner of the known world where some interest was not alleged to be in danger or under actual attack. If the interests were not Roman, they were those of Rome’s allies; and if Rome had no allies, then allies would be invented. When it was utterly impossible to

contrive such an interest—why, then it was national honor that had been insulted. The fight was always invested with an aura of legality. Rome was always being attacked by evil minded neighbors, always fighting for a breathing space. The whole world was pervaded by a host of enemies, and it was manifestly Rome's duty to guard against their indubitably aggressive designs. They were enemies who only waited to fall upon the Roman people. [No] attempt [can] be made to comprehend these wars of conquest from the point of view of concrete objectives.... Thus there is but one way to an understanding: scrutiny of domestic class interests, the question of who stood to gain.... Owing to its peculiar position as the democratic puppet of ambitious politicians and as the mouthpiece of a popular will inspired by the rulers [the Roman proletariat] did indeed get the benefit of the [war] booty. So long as there was good reason to maintain the fiction that the population of Rome constituted the Roman people and could decide the destinies of the empire, much did depend on its good temper.... But again, the very existence, in such large numbers, of this proletariat, as well as its political importance, was the consequence of a social process that also explains the policy of conquest. For this was the causal connection: The occupation of public land and the robbery of peasant land formed the basis of a system of large estates, operating extensively and with slave labor. At the same time the displaced peasants streamed into the city and the soldiers remained landless—hence the war policy.

The latifundian landowners were, of course, deeply interested in waging war.... . The alternative to war was agrarian reform. The landed aristocracy could counter the perpetual threat of revolution only with the glory of victorious leadership. (I)t was an aristocracy of landlords, large-scale agricultural entrepreneurs, born of struggle against their own people. It rested solely on control of the state machine. Its only safeguard lay in national glory.... An unstable social structure of this kind merely creates a general disposition to watch for pretexts for war—often held to be adequate with entire good faith—and to turn to questions of foreign policy whenever the discussion of social problems grew too troublesome for comfort. The ruling class was always inclined to declare that the country was in danger, when it really was only class interests that were threatened.

This lengthy quotation from Schumpeter vividly describes how the expropriation of peasants by the ruling aristocracy created a permanent and irreparable class division in Roman society that led to a policy of unrestrained imperialism and perpetual war. This policy was designed to submerge beneath a tide of national glory and war booty the deep-seated conflict of interests between expropriated proletarians and landed aristocracy.

Democracy and Imperialist War Making

Schumpeter's analysis explains the particularly strong propensity of democratic states to engage in imperialist war making and why the Age of Democracy has coincided with the Age of Imperialism. The term "democratic" is here being used in the broad sense that includes "totalitarian democracies" controlled by "parties" such as the Nationalist Socialist Workers Party in Germany and the Communist Party in the Soviet Union. These political parties, as opposed to purely ideological movements, came into being during the age of nationalist mass democracy that dawned in the late nineteenth century (Talmon, 1951/1970: 6-8). Though I fault Talmon for his failure to include totalitarianism of the Left, his argument remains valid.

Because the masses in a democratic polity are deeply imbued with the ideology of egalitarianism and the myth of majority rule, the ruling elites who control and benefit from the state recognize the utmost importance of concealing its oligarchic and exploitative nature from the masses. Continual war making against foreign enemies is a perfect way to disguise the naked clash of interests between the taxpaying and tax-consuming classes.

In this vein, it is noteworthy that the first instance of sustained global imperialism in the Western world was the democratic city-state of Athens. Victor Davis Hanson has emphasized this in his path-breaking work on the Peloponnesian War. Hanson (2005) writes:

"Athenianism" was the Western world's first example of globalization. There was a special word of sorts for Athenian expansionism in the Greek language, *attikizō*, "to Atticize", to become like or join the Athenians (2005: 14).

By the standards of the time, the expanse of the Athenian empire was breath-taking. By the outbreak of the Peloponnesian War, the Athenian empire had swelled to "nearly two hundred states run by seven hundred imperial overseers." According to Hanson, "To maintain such an empire, in the fifth century [B.C.] Athens had fought three out of every four years, a remarkable record of constant mobilization, unrivaled even in modern times" (Ibid.: 27). Moreover, unlike its openly oligarchic rival Sparta who led a loose voluntary coalition of states that genuinely feared a "proselytizing and expansionary" Athenian democracy, Athens unilaterally formulated and imposed a single strategy on its imperial subject-states and allies (Ibid.: 13, 29).

Hanson does not shrink from noting the parallels between the imperialism of ancient Athens and the modern US mega-state, writing:

Although Americans offer the world a radically egalitarian popular culture and, more recently, in a very Athenian mood, have sought to remove oligarchs and impose democracy—in Grenada, Panama, Serbia, Afghanistan and Iraq—enemies, allies, and neutrals alike are not so impressed. They understandably

fear American power and intentions while our successive governments, in the manner of confident and proud Athenians, assure them of our morality and selflessness. Military power and idealism about bringing perceived civilization to others are a prescription for conflict in any age—and no ancient state made war more often than did fifth-century imperial Athens (Ibid.:8).

Severing the Sinews of Imperialist War

Ernest Hemingway once wrote, “The sinews of war are five—men, money, materials, maintenance (food) and morale.” In a modern market economy, Hemingway’s five M’s, in practice, boil down to one: money. A political oligarchy that rules and exploits a large and productive economy need only get its hands on sufficient monetary funds in order to obtain the men, material, and maintenance necessary to carry out its war plans. Furthermore, an ever expanding supply of money and credit also boosts the morale of the civilian population by distorting economic calculation and creating the temporary illusion that war brings prosperity. Thus Cicero spoke more truly when he said, “The sinews of war, a limitless supply of money.” Explaining the connection between monetary inflation and civilian morale during wartime, Mises wrote in 1919:

In every great war monetary calculation was disrupted by inflation.... The economic behavior of the belligerents was thereby led astray; the true consequences of the war were removed from their view. One can say without exaggeration that inflation is an indispensable means of militarism. Without it, the repercussions of war on welfare become obvious much more quickly and penetratingly; war weariness would set in much earlier (Mises, 1983: 163).

However, the initial stages of war inflation must eventually give way to crisis and depression. The reason is that war entails a massive consumption of capital because of the diversion of real resources from production for present and especially future civilian needs—that is, the maintenance and replacement of capital goods—to production for immediate military purposes. The productive class only becomes aware of the enormous destruction of its real income and wealth when inflation ceases and the ensuing crisis and recession reveal the true costs of the war, aside from its physical destruction of lives and property. Financing war through money creation distorts and conceals its actual costs (Salerno, 1995: 153-73). At this point the bitterly disillusioned and demoralized producers begin to realize that their own interests are not identical with those of their imperialist rulers.

In the two World Wars of the twentieth century the war makers on both sides were able to forestall this day of reckoning by abrogating the freedom to produce and exchange and instituting a more or less thoroughgoing command

economy featuring pervasive price controls and central direction of production and distribution by legal fiat (Higgs, 1987: 196–236). Things are different in contemporary imperialist wars, such as those fought by the United States since the end of the Cold War. The reason is that the vast disparity in military and economic power between the imperial state and the state it wishes to subjugate obviates recourse to massive monetary expansion.

For example, the current US war on Iraq, according to the National Priorities Project, the cost of this war is estimated to have cost roughly \$346 billion from its inception in 2003 until the present. During this time, the change in the Adjusted Monetary Base (MB), which is completely controlled by the Fed and represents the “seignior age” or inflation tax that the government realizes from money creation, has been about \$137 billion. But the rate of growth of MB has steadily declined from mid-2002 from 10 percent to below 5 percent currently. This is reflected in a decline in the rates of growth of broader monetary aggregates such as MZM, M2, and M3. Yet at the same time, US Federal Government debt has ballooned by nearly \$2 trillion since March 2003, expanding the total debt accumulated since the inception of the American Republic by over 30 percent! How has this flood of new debt been financed if not by money creation?

The answer is by borrowing from foreigners. In March 2003, foreign investors held about \$1,286.3 billion of Federal government debt. By June 2006, foreign investors were holding \$2091.7 billion of the debt, an increase of \$805.4 billion or over 40 percent of the increase of the total debt since March 2003. The data in this paragraph are drawn from Federal Reserve Bank of St. Louis *Monetary Trends* (December 2006) and *National Economic Trends* (November 2006). In other words, foreigners have by and large financed the US imperialist adventure in Iraq, greatly mitigating the economic burden of the war borne by US taxpayers and consumers—at least until foreigners refuse to absorb any more US debt. At this point increased taxation and more rapid money creation must be resorted to in continuing to finance the war as well as the interest payments on the outstanding debt.

In the meantime, an interesting issue to contemplate is whether an aroused and disgruntled taxpaying class has any means at its disposal short of violent revolution for putting an end to the never-ending series of imperialist wars sucking the lifeblood (accumulated capital) out of the economy and consuming its real wealth and income. Vladimir Lenin’s (1975) answer was, “[C]onvert the imperialist war into a civil war; all consistently waged class struggles in wartime and all seriously conducted ‘mass-action’ tactics inevitably lead to this” (Ibid.: 195). The logic of war making in conjunction with its cognate praxeological discipline, economics, reveals that Lenin’s dictum is indeed practicable and that

there are a number of peaceful tactics available to the productive masses that strike directly at the sinews of the imperialist war machine.

The first is the general strike, an *Atlas Shrugged* scenario writ large, in which the producers go on strike for lengthy periods of time and live off their accumulated savings. This chokes off the current taxes that pay for the war as well as the military supplies needed to execute it. Mass boycotts of goods and services produced by enterprises directly profiting from the war as well as central government enterprises such as the post office strike directly at the revenues of the tax-consuming class. So do economic boycotts of the mass media, including establishment newspapers and periodicals and the major television broadcast networks. In the contemporary United States, the latter, in particular, are little more than legally licensed cartelists spewing forth government war propaganda.

Withdrawing all bank deposits and using only cash or barter arrangements in exchange would cause the fractional-reserve banking system to grind to a halt for a lengthy period of time as the monetary authorities would have to freeze all bank accounts until sufficient currency was printed and delivered to banks throughout the country. This would take months and would completely disrupt the monetary and financial system in the meanwhile, forcing the government to resort to the archaic and costly technique of literally printing up and shipping new currency to pay for its war expenditures. Selling government bonds en masse causing their prices to plunge would wreak havoc with the balance sheets of banks and other financial institutions and make it extremely difficult for the government to issue war debt.

These mass-action tactics would have a number of additional and very important benefits. First, they would cause a deep rift in the ruling class, which, in a plutocratic democracy such as the United States, is by no means monolithic because it includes significant elements of the big business and finance establishment that are competing with one another for subsidies and special legal privileges from the state.

This uneasy coalition of political interests can be readily destabilized by the radical change in the pattern of benefits and costs brought about by mass-action tactics that unevenly affect the revenues and subsidies of politically connected business firms. Thus, those industrial firms and financial institutions suffering significant hardships from these tactics would turn against the war, thereby shrinking and weakening the ruling class. With the prospect of civil war with its former allies looming, those in control of the state apparatus would have a strong incentive to halt its war-making activities.

Second, other business firms completely outside the ambit of the tax-consuming, government-industrial complex—e.g., McDonald's, Wal-Mart, Microsoft, etc.—would also suffer economic losses as a result of the general strike and financial collapse, giving them an incentive to ally themselves with the

renegade firms that were formerly members of the political establishment. This newly emergent anti-state coalition of business organizations could also peacefully strike at the enfeebled and demoralized imperial state by refusing to do business with it and threatening to blacklist individual bureaucrats and politicians as candidates for the anticipated lucrative jobs in the private sector.

Finally, the anti-imperialist alliance of large and powerful business interests brought into existence by the general strike and other peaceful mass-action economic tactics would naturally, if unintentionally, interpose itself as a protective shield between the economically debilitated but still dangerous and vindictive state and the individual dissidents of the taxpaying class.

In sum, the praxeological method, which has been used successfully to elaborate the laws of economics, is also capable of yielding a systematic body of truths when applied to the analysis of war. Although the logic of war making has yet to be fully elaborated, it is clear that this praxeological sub-discipline is useful in dispelling the long entrenched myths and fallacies about war. The logic of war making also provides knowledge of the means to those whose goal, for ideological or economic reasons, is to bring about the cessation of a war.

Imperialism and the Cold War

The last decades have seen an upturn of interest in Marxist theories of imperialism (Ashman and Callinicos, 2006; Brenner, 2006; Fine, 2006; Sutcliffe, 2006, and Meiskins, 2006). The background has been, of course, the drive of the last American administration to fundamentally alter the balance of power in the strategically important, oil-rich region of the Middle East, by using unilateral military power to achieve ‘regime change’ in states considered hostile to US influence. The bellicose rhetoric of the Bush administration and the idea of an unending number of supposedly ‘preventative’ wars (‘the Bush Doctrine’) put forward by leading neo-conservative protagonists at the time, provided fertile ground for a renewal of debate and argument on the Marxist left over the concept of imperialism.

Bush’s Iraq brutal had, after all, undermined a number of previously accepted assumptions about the post-Cold War world. On the left and the right many had viewed America’s ‘unipolar moment’ of the early 1990s and the globalization of the world economy under its leadership in the two decades that followed, as having inaugurated a new world order marked by an amelioration of inter-state conflict and global social and political integration (Hardt and Negri, 2000; Wolf, 2004; Held and McGrew et al., 1999). The belief and excitement in ‘globalization’ may now largely exist as little more than a distant memory of a collective flight of fancy, but, for a time, the features of the post-1991 order appeared to seriously challenge classical Marxist assumptions about

the nature of the global system. In particular, the issue was to what extent global economic integration and political multilateralism in a world with only one superpower represented a post-imperial evolution of the system? Proponents of the view that it did, could point to the new discourse of multilateralism and strictly ‘humanitarian’ intervention by allied western powers into supposed ‘trouble spots’, the proliferation of international agreements and the formation of the WTO, the sharp increase in the reach and power of western multinational companies globally, and the booming world trade system and financial markets.

The Iraq and Afghan conflicts—not to mention the explicitly imperialist designs of the Project for a New American Century school of thought that underpinned these wars—broke these ambitious but flawed theoretical edifices, which had argued the various concrete features (international agreements, economic integration, et al) of the international system in the 1990s, were basically epiphenomenal expressions of more profound and transformative changes in the relationship between states and markets across the globe.

If, however, as seemed increasingly obvious, there was continuity as well as change in the pre and post-Cold War worlds (most importantly, the endurance of the capitalist-nation-state system) then a space could be opened up for a reconsideration of classical theories of imperialism as explanans - the means by which we go about finding an explanation – for the workings of the contemporary international order. Part of the issue was explaining the juxtaposition of the ‘war on terror’ policy of the United States with the on-going globalization of international economic exchanges; how did the two intersect? If the actions of the Bush regime were not simply ‘mad’ but based on at least some kind of rational calculation of US geopolitical and economic interests, then there must be a relationship to be excavated between the contradictions of the global economy and the superpower’s increasing propensity to openly promote its own imperial power.

This question of how the pursuit of economic and political power connect with one another in late capitalist development concerned two Marxist theorists, David Harvey and Alex Callinicos, who have both played an important role in stimulating the resurgence of debate of imperialism over the last decade. Both were concerned to situate the aggressive policy of the last US administration within the tectonics of global capitalism as it had developed historically over previous decades. As David Harvey (2003) described his own endeavor in the opening pages of his *New Imperialism*:

“I seek to uncover some of the deeper transformations occurring beneath all the surface turbulence and volatility, and so open up a terrain of debate as to how we might best interpret and react to our present situation” (2003: 3). The common thread to both Callinicos and Harvey’s work was their shared view that

the logics of political and economic power had to be situated in an irreducible but dialectical relation to one another, if, that is, a concrete explanation for the latest bout of American imperial hubris was to be achieved.

Meanwhile, the theoretical explanations of international political economic development they offered have simultaneously had to wrestle with crucial changes in the global political economy happening across this time. Any reinvigorated Marxist theory of imperialism had to rise to the challenge of not only explaining the historical changes in the international system since the end of the Cold War, the related impact of neo-liberal/conservative Anglo-American policies on the world stage since the late 1970s, but, in addition to this, the great financial crisis that erupted in the fall of 2008, the deep global recession which followed, and the new Obama-led administration in the United States, who has of course invoked a language suggesting some degree of policy change with the Bush era. The consequence of this more recent set of historical changes is a world order that makes for a dramatic contrast with 1992: i.e., one increasingly eliciting a tendency to ‘multi-polarity’ with the US capacity to violently pursue its interests freely in the name of the system as a whole increasingly inhibited by the growth in the relative political and economic power of its rivals. The cases of Colombia and Libya are historic illustrations.

Imperialism and Violence in Colombia

The US military intervention in Colombia constitutes the longest counter-insurgency war in recent world history. Beginning with President John F. Kennedy’s launch of the “Green Berets” in 1962 and escalating in the new century with President Clinton’s \$7 billion dollar military program (Plan Colombia) in 2001 to Obama’s inauguration of seven new military bases in the present, the US has been at war in Colombia for 50 years. Ten US presidents, 5 Democrats and 5 Republicans, both liberals and conservatives, have alternated in carrying out one of the most brutal counter-insurgency wars ever recorded in Latin America. In terms of civilian killings, trade union and human rights murders and the dispossession of peasants, the US backed oligarchy has the dubious distinction of being at the top of the list of tyrannical rulers.

To understand the bloody history of US imperial intervention in Colombia requires us to examine *several key* dimensions of the relation in a *comparative-historical framework* that highlights the specificities of Colombia’s ruling class and the strategic geo-political importance of Colombia to US hemispheric dominance.

Colombia: A Ruling Class in Search of Hegemony

Violence is endemic in a society ruled by a 'closed' ruling class governing through 19th century oligarchical parties (and their competing factions) for the greater part of the 20th and 21st centuries. Colombia differs from most of the rest of the major countries of Latin America which early on in the 20th century expanded representation to diverse middle class parties. In the post-World War 1 period and certainly by the World Depression of the 1930's, Latin America witnessed the emergence of socialist, communist and national populist parties and Popular Front type regimes. However, Colombia remained frozen in a time warp of a closed political system dominated by two oligarchical parties which competed with bullets and ballots (Petras and Veltmeyer, 2001).

When in the immediate post WWII period a dynamic nationalist- populist figure emerged, Jorge Eliecer Gaitan, he was assassinated and the country entered a period of a society-wide blood bath, dubbed "La Violencia." Factions of Conservative and Liberal oligarchs financed armed bands to murder each other resulting in over 300,000 killings. The oligarchs ended their internecine war by signing an agreement to alternate electoral office, the so-called "National Front" *further consolidating* their stranglehold on power and forcibly excluding new political movements from achieving any significant representation.

Even when a pseudo alternative emerged, under the rule of rightwing populist, Rojas Pinilla, the mass urban and rural poor were subject to the private armies of the landlords, while the urban workers movement was brutally repressed by the military and police. Dissident democrats usually formed a faction of the Liberal Party; while activist workers were drawn to the militant trade unions and the clandestine or semi-legal Communist Party or smaller socialist parties.

The Cold War and US Imperial Penetration

With the onset of the Cold War, Washington found a *willing accomplice* in the bi-party oligarchical alliance, especially after the elimination of Gaitan and the savage repression of militant class based unions in the US agro-business complexes. Beginning with the bi-lateral and multi-lateral anti-communist military agreements of the early 1950's, Colombian politics was *frozen* into a pattern of *subordination* and *collaboration* with Washington, as the US extended its empire from Central America and the Caribbean into Latin America.

The similarities between the bi-partisan political systems of Colombia and the US and the exclusion of any effective opposition in countries, facilitated continuity and collaboration. As a result, Colombia's oligarchy did not face the

challenges that emerged from time to time in Argentina, Brazil, Chile and Uruguay.

The Cuban Revolution and the US-Colombian Alliance

The Cuban revolution, especially its transition toward socialism and the multiplication of guerilla movements throughout Latin America, marked a turning point in US-Colombian relations. Colombia became a *pivotal* country in Washington's *counter-revolutionary strategy*. Colombia served as a US "laboratory" in the effort to defeat the revolutionary upsurge of the 1960's. Colombia served as a *trampoline* for Washington to launch a counter-offensive based on military regimes to establish an empire of dependent client-states, open to US economic interests and obedient to Washington's foreign policy dictates.

US Imperialism and Latin American Nationalism: Impositions and Adaptations

The *US Empire* did not emerge *ready-made* at the end of World War II. It confronted and had to overcome many domestic and overseas obstacles and challenges. Domestically at the end of WW II, after 5 years of war, most US citizens demanded a *military demobilization* (1945-47) which weakened the capacity to intervene against the emerging progressive governments in Guatemala, Chile, Argentina and elsewhere. However, with the Cold War and the "hot war" in Korea, the US rearmed and launched its quest for world dominance. Social democratic and progressive governments and leaders were ousted from governments and jailed in Venezuela, Guatemala and Chile. Throughout the 1950s Washington embraced the "First (but not last) Age of Dictators and Free Markets." They included Odria in Peru, Perez Jimenez in Venezuela, Ospina and Gomez in Colombia, Trujillo in the Dominican Republic, Duvalier in Haiti; Somoza in Nicaragua, Armas in Guatemala, Batista in Cuba.

Between 1948-1960 the US Empire totally relied on the brute force of the dictators and the complicity of the local agro-mineral oligarchy to secure its dominance. The Empire, built on the bases of rightwing dictators, however, did not last beyond a decade. Beginning with the victory of the 26th of July Movement in Cuba, a decade-long (1960-1970) continent-wide revolutionary upsurge challenged imperial power and client collaborators of Empire. US imperialism, faced with the demise of its dictatorial clients, was forced to adapt to the *new configuration of forces composed of reformist middle class electoral parties* and a new generation of radical and a *revolutionary movement of intellectual, peasants and workers* inspired by the Cuban example.

In 1962 Washington launched a new strategy called the “Alliance for Progress” (AP) to divide reformers from revolutionaries: the AP promised economic aid to the reformist middle class regimes and military advisors, arms and Special Forces to destroy the revolutionary insurgents. In other words imperial violence was more selective: it was directed against the independent revolutionary movements and involved greater direct military involvement in the counter-insurgency programs of the electoral regimes.

Colombia the Exception: Repression with Reform

In contrast to the rest of Latin America, where agrarian, democratic and nationalist reforms accompanied the counter-insurgency programs (Chile, Ecuador, Peru, Brazil and Venezuela), in Colombia the oligarchy retained power, blocked the emergence of a reformist—democratic alternative and relied wholly on a strategy of total militarization—polarizing politics between revolution and reaction.

In Colombia the US Empire did not face a choice between a reformist middle class regime or a revolutionary movement because the oligarchical bi-party system dominated the electoral arena. The US did not need to combine the “carrot with the stick” —it concentrated all its efforts in strengthening the military power of the dominant oligarchy. The Colombian ruling class ruled out any “agrarian reform” like in Chile, Peru and Ecuador for the obvious reason that they were the landowning elite. The Colombian oligarchy did not face a ‘nationalist military’ pressuring to nationalize strategic industries, like in Bolivia (tin and petrol), and Peru (oil and copper) because the military was under US tutelage and was closely linked with the emerging narco bourgeoisie.

By the end of the 1960’s Colombia became the centerpiece (“model”) of US policy for Latin America. The region moved from reform to radical nationalism and democratic socialism in the early 1970’s – especially among the Andean countries and the Caribbean.

Colombia was the anomaly in an Andean region ruled by nationalists like Guillermo Rodriguez in Ecuador, Juan Velasco Alvarez in Peru, J J Torres in Bolivia and democratic socialists like Salvador Allende in Chile. The Colombian ruling class served as the US “counter-point” to launch its second and most brutal counter-revolutionary offensive beginning with a coup in Brazil in 1964. Subsequently the US invaded and occupied the Dominican Republic in 1965/66 and supported the overthrow of Allende, Rodriguez, Torres, Velasco Alvarez in the Andean countries. Later the US backed military coups in Argentina (1976) and Uruguay (1972).

The Pentagon organized mercenary death squads in El Salvador and Guatemala killing nearly 300,000 peasants, Indian workers, teachers and other

citizens. The US organized a mercenary army (the “Contras”) in Honduras to destroy the Sandinista revolution. Colombia’s ruling class, backed by US and Israeli counter-insurgency experts, tried to follow the US counter-revolutionary lead by engaging in a “scorched earth policy” to defeat the popular insurgency. But narco-presidents Turbay, Betancur, Barco, Gaviria and Samper were only partially successful – they destroyed the popular legal Union Patriótica but increased the size, scope and membership of the armed insurgency.

The second wave of “Dictators and Free Markets” (1970’s—1980’s), included Pinochet (Chile), Videla (Argentina) and Alvarez (Uruguay) came under popular pressure and faced the insurmountable debt crises of the early 1980’s. Once again US imperialism faced a challenge and choice: continue with the dictators and a deepening financial crises or engineer a “democratic transition” which would preserve the state and the neo-liberal economy.

Neoliberalism and Elections 1990-2000 in Latin America (except Colombia)

The 1990’s witnessed the greatest pillage of the Latin American economies since the times of Pizarro and Cortes. Presidents Menem in Argentina, Salinas and Zedillo in Mexico, Cardoso in Brazil, Sanchez de Losado of Bolivia and Fujimori in Peru privatized and de-nationalized over 5,000 public enterprises, mines, energy resources, banks, telecommunication networks—mostly through executive decrees—worth over \$1 trillion dollars. During the 1990’s over \$900 billion dollars flowed out of Latin America in profits, royalties and interest payments to multi-national corporations, bankers and speculators. In Colombia, narco-trafficking became the principle source of profits as the traditional oligarchy joined with the new “narco-bourgeoisie” in laundering billions of dollars via “correspondence” accounts with the major US banks in Miami, Wall Street and Los Angeles.

The “transition” from military dictatorships to neo-liberal authoritarian electoral systems in Latin America was paralleled in Colombia by the transition from an oligarchical to a narco-state. In Colombia the military and para-military death squads dispossessed millions of peasants, and confronted the armed insurgency. There was no “democratic transition” —the democratic opposition was murdered! Between 1984-1990 over 5000 members of the Patriotic Union were slaughtered. US empire builders looked on neo-liberal Latin America in the 1990’s as the “model” for expanding on a world-scale. The formula was to combine pillage via privatization in Latin America and dispossession via militarization in Colombia.

The Crises of the Neo-liberal-Militarist Model of Empire 2000-2012

The entire bases of US imperial supremacy in Latin America in the 1990's was built on fragile foundations: pillage, plunder and corruption led to a profound class polarization and economic crises which culminated in mass popular uprisings overthrowing US backed client regimes in Argentina, Bolivia and Ecuador. In Brazil, Uruguay and Venezuela the incumbent neo-liberal Presidents were defeated by center-left and national populist's parties and leaders.

In Colombia, mass rejection of the ruling neo-liberal narco-bourgeoisie expressed itself via massive electoral abstention (over 75%): the exponential growth of influence and the presence of the armed insurgency in over one-third of the municipalities and the tactical retreat of President Pastrana. He accepted a demilitarized zone for direct peace negotiations with the FARC-EP.

The entire bases of US imperial rule built on the collaboration of neo-liberal client regime crashed. Between 2000-2005 popular social movements succeeded in defeating a counterrevolutionary coup and lock-out in Venezuela (2002-3). A victorious President Chavez accelerated and radicalized the process of socio-economic change and deepened Venezuela's anti-imperialist foreign policy. Argentina, Brazil and Uruguay rejected US free trade agreements.

Once again Colombia went against the progressive tide of the region. Colombia's narco-bourgeoisie and oligarchy opted for total militarization to avoid the popular democratic movements occurring in the rest of Latin America. The Colombian-US response to democratic revolution in Latin America was "Plan Colombia"—a \$10 billion dollar war on the Colombian people financed by the governments of the US, Colombia and the European Union.

Plan Colombia: Imperialism's Response to Latin America's Democracy Movement

"Plan Colombia" was the US response to the spread of the popular democratic revolution throughout Latin America. Plan Colombia represented the biggest US military aid program in the entire region and was designed with several strategic goals.

1. To 'fence in' Colombia from the "contagion" of the anti-neo-liberal revolution which had undermined the proposed US Free Trade of the Americas agreement.

2. Plan Colombia served to build-up Colombia's capacity to threaten and pressure Venezuela's anti-imperialist government and to provide the US with

multiple military bases from which to launch a direct intervention in Venezuela if ‘internal’ coups took place.

3. ‘Plan Colombia’ had an important internal political and economic function.

It was designed to militarize society and to empty the countryside; 300,000 soldiers together with 30,000 death squad paramilitary forces, forced millions to flee guerrilla controlled territory. The guerrillas lost important intelligence and logistical support but gained new recruits. As a result of the Uribe/Santos “scorched earth policy” and the mass violence, entire new economic sectors, especially in mining, oil and agriculture, were secured for foreign investors, laying the groundwork in 2012 for the Obama-Santos free trade agreement.

There is a direct connection between Plan Colombia (2001), militarization of the state, mass repression and dispossession (2002-2011), the deepening of neo-liberalization and the free trade agreement (2012).

4. Colombia serves a strategic geo-political role in the US militarized empire.

In the Middle East, South Asia and North Africa the US has used the pretext of the “War against Terrorism” to invade and establish an empire of military bases, in alliance with Israel and NATO. In Latin America, the US in alliance with Colombia and Mexico and under the pretext of the “War on Drugs” has built an empire of military bases in Central America, the Caribbean and increasingly in Latin America. Currently the US has military bases in Colombia (8), Aruba, Costa Rica, Guantanamo (Cuba), Curacao, El Salvador, Honduras (3), Haiti, Panama (12), Paraguay, Peru, the Dominican Republic, and Puerto Rico (several).

The US: A Militarized Empire

Because of the relative decline of US economic power and the rise of militarism, the US Empire today is largely a military empire engaged in perpetual wars. Washington’s close ties with Colombia reflects the close structural features of the state—heavily weighted toward military institutions—and economy, skewed toward neo-liberal and free market policies.

Once again, Colombia is the anomaly in Latin America. Nearly ten years after Latin America rejected neo-liberalism and eight years after the center-left regimes rejected a free trade agreement with the US, Colombia under Uribe-Santos embrace neo-liberalism and a free trade agreement with Washington. Facing two major economic initiatives from Venezuela, Plan Caribe and ALBA, challenging US hegemony in the Caribbean and Andean region, Washington tightens its ties with Colombia via the free trade agreement.

Summarily, US Empire depends on collaborator regimes everywhere in order to defend its military dominance. In Latin America, Colombia is the

biggest and most active collaborator, especially in the Central American-Caribbean region. But like the US, Colombia's militarized state does not 'fit' in with the rest of Latin America. The US has no new economic initiatives to offer Latin America and has lost significant influence and witnessed a relative decline in trade, investment and market shares. Because Colombia, as a militarized-neoliberal state complements the US global project, it became a special recipient of massive US military aid—precisely to prevent it from joining the new bloc of independent progressive states and further isolating Washington.

Colombia's increasing dependence on the US economy via the free trade agreement sacrifices a large sector of domestic producers in agriculture and manufacturing but increases vast opportunities for the oligarchy and foreign investors in mining, oil and finance. The free trade agreement will increase the opportunities of the powerful narco-financial-bourgeoisie which launders over \$20 billion dollars annually in drug revenues through leading US and EU banks.

Colombia is the 'model state' of the US Empire in Latin America. Colombia is ruled by a triple alliance of a narco-oligarchy, neo-liberal bourgeoisie and the military. The Santos regime depends increasingly on the large scale inflow of foreign capital, which is oriented toward producing for overseas markets. The military expenditures, the mass terror of the Uribe regime, the political isolation from the regional economic powers (Venezuela, Brazil and Argentina) and the limitation of the stagnant US economy are serious obstacles to the neo-liberal model. President Santos is attempting to reconcile these "internal contradictions." Santos has replaced mass terror with selective assassinations of key activists in the trade unions and the human rights and social movements. He has focused on co-opting electoral politicians and centering the activity of the paramilitaries on eliminating popular opponents in the new mining and investment zones. He has combined major economic agreements with Venezuela and deepened military ties with the US.

The Santos-White House agreements and the strategy of diversified dependence and free markets rest on very fragile domestic and global foundations. The repression of dissent, the regressive taxes, the depression of living standards, the millions of rural dispossessed has led to the vast growth of inequalities and pent-up mass demand and rising popular pressure. The military commitments to the US impose a heavy economic cost with no economic compensation. The cost of US promoted militarism undermines efforts by Colombian business to expand in regional markets. The US economy is stagnant, the EU is in recession and the outlook for 2012 is precarious, especially for an open economy like Colombia.

At the turn of the 21st century Latin American countries faced a similar situation: neo-liberal regimes in crises, the US in economic decline and a ruling class unable to grow externally and unwilling to develop the internal market.

The result was the popular democratic revolutions which led to a partial rupture with US hegemony and neo-liberalism. A decade later Colombia faces a similar situation. The question is whether Colombia will follow the rest of progressive Latin America in breaking with imperial militarism and embracing a new developmental road. The time is ripe for Colombia to cease being a 'political anomaly', a client of a militarized imperialism. The popular movements in Colombia, as evidenced in the Patriotic March movement are ready to make their own popular democratic and anti-imperialist revolution and establish their own Colombian road to 21st century Socialism.

Qaddafi's Libya: The Violence of Neoliberal Imperialism in Africa

Muammar Qaddafi is dead and the Al Fateh revolution has been rolled back. Two months after his death, on October 2011, the imperialists, in collaboration with the Salafists in Tripoli and Khartoum, orchestrated the assassination of the revolutionary leader of the Sudanese Justice and Equality Movement (JEM), Dr Khalid Ibrahim. On a recent visit to Tripoli, president of Sudan, Omar Bashir, congratulated the Libyan NTC and said that 'Qaddafi's death is the best thing that could have happened to the people of Sudan'. When the chairman of the NTC, Mustafa Jalil, recently visited Sudan, Bashir once again sank into absurdity, claiming that 'Sudan has experienced no harm, even from the colonial nations, like the injury caused by Qaddafi and his group.' Bashir certainly wasn't speaking for South Sudan, nor even for some parts of the north. He was speaking only for those Sudanese who support the National Congress Party, which he leads, and their program to promote Arab hegemony.

NATO backed Salafist militias are working with Bashir's military to seal the Sudanese- Libyan border, and are engaged in a joint military effort to fight pro-Qaddafi Tuaregs and JEM fighters operating in the region. JEM's leader, the late Dr Khalid Muhammad, was residing in Libya prior to and during the NATO invasion. Khartoum wanted Qaddafi to hand over Khalid Muhammad who was wanted by the Bashir regime. Qaddafi of course refused. He had for many years assisted the African fighters in Southern Sudan and those operating in the Darfur area in their legitimate struggle against the ethnic and religious chauvinists in Khartoum. This fuelled Khartoum's hatred of Qaddafi, because Qaddafi openly supported the struggle being waged against the Bashir regime, and also they hated Qaddafi's Islam – an Islam that promotes justice, equality and peace – hence the name JEM (Justice and Equality Movement).

A few weeks after Qaddafi's death, the Justice and Equality Movement, based in the Darfur region, joined forces with the Sudanese Peoples' Liberation Movement (North), and two other liberation organizations to form the Sudanese Revolutionary Front, with the aim of toppling the Khartoum regime.

Strangely enough, when Bashir visited NATO controlled Libya, no attempt was made to instruct the NTC to hand him over to the International Criminal Court, although only months ago the US was making a big fuss about the fact that other African regimes had allowed Bashir to land on their soil and had not handed him over.

Of course, the imperialists change their allegiances at the drop of a hat – Mubarak is a good example of that. That is at least one thing that we can agree on: that throughout the terrible ‘White Ages’, the politics of the North Atlantic Tribes has always been based on expedience rather than being rooted in moral principles. Their relationships are always based solely on how best the relationship can further Euro/American interests and objectives and they will make a pact with the any demon when and where necessary—I think we can all agree on that self-evident truth.

And we must never forget that their objective is always the same—unchanging—to dominate Africa and the rest of the global south, in order that they can continue to plunder our vast resources, enabling them to live their irrational, spiritually bankrupt and unsustainable life style—end of story. We are nothing to them—mere pawns in their game—no more than a bit of collateral damage in their way. Their worldview was perfectly illustrated when Lesley Stahl of CBS asked former US Secretary of State, Madeleine Albright, the following question:

‘We have heard that a half million children have died... I mean, that’s more than died in Hiroshima. And—and you know, is the price worth it?’

To which Madeleine Albright replied, ‘I think this is a very hard choice, but the price — we think the price is worth it.’ There is no better example of the enemy’s total disregard for ‘us’ than recent events in Libya. The most prosperous and stable country on the African continent was bombed to a point of total destruction of its physical environment, economy and social fabric, and then following the globally televised murder of the leader, left to dwell in pure chaos and misery. In the space of 24 hours, the corporate and mainstream media went from 24 hour coverage to zero coverage. They turned off their cameras so that the world would not see the ensuing bloodbath, as the racist and fascist Salafists, who had been handed power by NATO, continued on their murderous rampage of ethnic and ideological cleansing. Intellectuals, religious leaders, Black Libyans and all those who dared to openly support the Al Fateh revolution were rounded up, imprisoned, tortured and murdered – and not a word from NATO countries about the human rights they pretended to cherish while they savagely bombed this defiant African nation.

One only has to look back on the days of what the enemy has termed the ‘Arab Spring’ to understand how sinister and sophisticated their plans for domination really are. They quite clearly have a contingency plan for every

eventuality and so, when they need to support a repressive regime such as Ben Ali in Tunisia or Mubarak in Egypt they do so, when that is no longer working, they can switch gear within hours to support the Muslim Brotherhood and Salafi electoral outfits, despite the fact that only yesterday they were raging against them. The only thing that matters is that they remain at the top of the global pyramid, exerting total control. There are many, who for years, have discarded such ideas as the ranting of whacky conspiracy theorists, however, it is now becoming crystal clear for all to see that the unfolding of global events is not taking place as a result of ‘shared interests converging in some ad hoc manner’, but rather is part of a carefully planned strategy.

Of course, there are random events that occur which are beyond anybody’s control, such as the Tunisian vegetable seller, Muhammad Bouazizi, setting himself on fire in protest at his harassment by Tunisian local authorities, but let us not be confused by random events that occur. It is important to note that those that are manipulating world events have contingency plans for every conceivable series of events and outcomes. As soon as the rebellion in Tunisia and Egypt started, they swung into gear, launching plan B to either co-opt and/or destabilize the rebellions. They would support any commotion – even an al Qaeda inspired and led takeover of Libya, as long as they remain in control.

Confusion Ascendant

Even amongst so-called anti-imperialist and ‘revolutionary’ organizations and personalities, confusion reigns. They shout ‘revolution’ as soon as they see a rebellion, failing to realize that all rebellions are not revolutions and some, as in the case of Libya and more recently Syria, are simply imperialist orchestrated ‘rebel commotion’. Revolutions do not happen without a revolutionary theory and revolutionary organization. In the absence of these weapons, and indeed, revolutionary theory, consciousness and organization are weapons, confusion, co-option and chaos are easy to establish. In an alliance with the powerful corporate media and local players, commotion of a destabilizing nature is all around us. In such circumstances, as we have witnessed over the past 18 months, if we are not careful we can lose our bearings. Sadly many progressive and so-called anti-imperialists figures fell for the bait and found themselves on the same side as NATO and the Salafists.

For the past decades, since the end of the so-called Cold War, as the single global super-power, the US and their European allies have enjoyed unfettered access to Africa, however, with the rise of China as a powerful economic player, and their own deepening economic crisis and decline, they are once again on the offensive, determined that they will maintain sole control over Africa by whatever means necessary. Muammar Qaddafi and the Libyan Jamahiriya were

major obstacles to their plan. Qaddafi had the ability to provide financial assistance to African countries, and his vision of African unity was fast gaining momentum, Qaddafi and Libya's prosperity and capability to lead the charge towards African liberation had to be eliminated. No one was more aware of their nefarious agenda than the Brother-Leader himself. His last message to the peoples of Africa stated:

'The fight, if it is not won in Libya, will be coming to you. Prepare for it. Prepare traps for the invaders. You must defend your corners...Do not let them use you. Be united. Build your defenses for they are coming if they manage to pass Libya.'

Since the overthrow of the Libyan revolution, The United States Africa Command (AFRICOM), set up to facilitate US military intervention in Africa has, as expected, stepped up its activity throughout the continent. Muammar Qaddafi was totally opposed to AFRICOM and all it stood for. His ability to influence other African governments meant that not a single African country had allowed AFRICOM to establish a military base on their soil, which was what AFRICOM had set out to do. As a result of this unanimous rejection by African nation-states, AFRICOM was forced to establish its headquarters in Germany. This was a humiliating defeat for the US led mission to militarily occupy Africa.

AFRICOM – a creature of US imperialism – is modeled after the infamous School of the Americas, where military training, including instruction on torture techniques, was provided to the military and paramilitary personnel of the most vicious of Central and South American dictatorships. The objective was to build their capacity to fight US imperialist conflicts and achieve the imperialist's outcomes throughout the Americas, without having to deploy US troops. This partnership with compliant South American countries meant that citizens of the South, rather than US citizens, could fight and die to further US objectives in the region. Likewise, AFRICOM already has Ugandan, Rwandan, Kenyan, Ethiopian and Somali troops fighting to achieve the US agenda in Somalia.

We have witnessed the hideous YouTube campaign, known as Kony 2012, which was a crude attempt to win support for US military advisors and troops to be deployed in central Africa. Kony 2012 is also part of imperialism's ongoing attempt to control and co-opt the internet however, it was a dismal failure. In fact, due to the huge number of comments ridiculing this pitiful attempt to establish a credible cover for the US military being on the ground in Africa, an order was given from somewhere to disable the comments to avoid further embarrassment. So, although this social experiment using the internet failed dismally, in the midst of the Kony madness, Obama authorized 100 US troops to be deployed to central Africa to ostensibly assist in the US created mythical struggle against Joseph Kony – yet another African bogeyman. The imperialists

are tightening their military grasp on Africa. In fact, military intervention is clearly the preferred method.

Contain or Kill?

The second form of warfare, psychological warfare, is becoming a more difficult option, posing many challenges in a world connected by internet and social media. The enemy is clearly aware of this. In a recent address, the Hon. Minister Louis Farrakhan once again reminded us that we need to listen carefully to the enemy because they are crystal clear regarding their plans for our continued enslavement. Minister Farrakhan quoted the infamous speech given by Zbigniew Brzezinski, to a gathering of British elites in London on November 17, 2008. Brzezinski was national security advisor in the Carter administration. He is also a founding member of the Trilateral Commission, which is a think tank set up to increase co-operation between the US, Europe and Japan with the aim of furthering their domination of world affairs, and is highly influential in the Obama administration. He had this to say on what he termed, ‘the global political awakening.’

‘This is a truly transformative event on the global scene, namely that for the first time in human history... almost all of mankind is politically awake, activated, politically conscious and interactive. There are only a few pockets of humanity, here or there, in the remotest corners of the world, which are not politically alert and interactive with the political turmoil and stirrings and aspirations around the world, and all of that is creating a worldwide surge in the quest for personal dignity and cultural respect, in a diversified world sadly accustomed for many centuries to domination of one portion of the world by another.

That is an enormous change and beyond that is the interacting of a further change, namely in the distribution of global power. It pertains to some of the obvious of which we are aware but which it is important to register, namely that we are living in a time of the basic shift away from the 500 years long global domination by the Atlantic powers. It is the countries that have been located on the shores of the Atlantic ocean, and let’s recall them, Portugal, Spain, France, the Netherlands, Great Britain and more recently the United States that have dominated world affairs and that shift now is taking us towards Asia.

It is not the end of the preeminence of the Atlantic world but it is now the surfacing of the Pacific region, most notably Japan, the number two economic power and China, an assertive global power that is now occupying a pre-eminent place in the global hierarchy, and of course, beyond them, there is India’s future development, though it is currently still in the wings, and it is also complicated by the re-appearance of Russia which is still restless, rather unclear about its

own definition, very un-definite about its recent past and very insecure about its place in the world... these new and old major powers face still yet another novel reality, in some respects unprecedented, and it is that, while the lethality of their power is greater than ever, their capacity to impose control over the politically awakened masses of the world is at a historical low.

I once put it rather pungently and I was flattered that the British foreign secretary repeated this as follows: namely in earlier times it was easier to control a million people, literally it was easier to control a million people than physically to kill a million people. Today it is infinitely easier to kill a million people than to control a million people. It is easier to kill than to control...'

Here it is—the chilling plan—easier to kill than to control—a clear picture of the era that is before us. And I can guarantee that Brzezinski and his kind have a plan—the question is do we?

Notice that nowhere in Brzezinski's speech is there any mention of 'us' – of those of us that dwell in the parts of the world that the imperialists continue to wrangle over and dominate. We are treated as nothing—expendable—not even worth a mention. The Trilateralists are very different from the crude Neo-Cons. Their plans for global domination are much slicker. Where the Neo-Cons support direct military intervention, the Trilateralists are among those who believe that it is smarter and more effective to pit us against each other, and to ensure that we fight the wars on their behalf. While Brzezinski welcomes the Russians back onto the world stage, and acknowledges China's rise in a seemingly friendly way, behind the rhetoric is a plan to directly counter China and Russia's global power, ensuring the continuity of West European/American dominance. Hence, Brzezinski and his kind would rather see us embroiled in conflict and turmoil, fighting each other, and where possible, use this chaos to their advantage in their battle to counter the growing influence of China and Russia.

The Green Book: Era of the Masses

Muammar Qaddafi predicted this moment in history many years before Brzezinski and his cohorts. Even progressive commentators and intellectuals speak about the current awakening of the masses without referring to The Green Book. As far back as 1975, when the Green Book was first published, Qaddafi spoke about the 'era of the masses', describing it as a time 'rapidly advancing towards us to overtake the era of republics', an era that would 'excite the emotions and dazzle the eyes'. However, he also realized that it would usher in a dangerous time, where we may find ourselves teetering on the brink of disaster. He sounded this warning: 'But in as much as it heralds the advent of real freedom for the masses and the blissful emancipation from the chains of all

instruments of government, it is also the harbinger of a chaotic and tumultuous era. If the new democracy, the authority of the people, were to suffer a relapse, such an era would bring back autocracy...'

Qaddafi the visionary was able to comprehend the movement of history and the spirit of time, always believing that the present era represents a turning point in humanity's history, heralding the great awakening of the masses – both men and women moving forward together to shape history and social evolution.

Revolution, Not Chaos and Commotion

Leaders from Marcus Garvey to Muammar Qaddafi have warned us over and over that we will continue to be condemned to the imperialist's genocidal policies and domination until we are able to unite and set our own agenda. We must have zero tolerance of those amongst us who continue to be manipulated to serve the interests of and achieve the very outcomes laid out for us by our enemies. Even this historical moment, which Brzezinski describes as a truly transformative event on the global scene and what he rightly terms a 'global political awakening', will be of no use to us without some level of clarity and unity of purpose.

The objective of psych-ops is to defeat us mentally—to convince us of the invincibility of Euro/American domination. This forces us into an acceptance of the inevitability of being relegated to nothing more than collateral damage in a battle between powerful global forces. The aim is to make us feel completely disempowered and impotent in the face of this leviathan, which destroys entire nation-states that stand in its way with its foreboding military might, and parades the televised murder of our leaders before us with impunity. Amos Wilson explains:

'The European inhabits only a small part of this globe. The parts of the globe that the European occupies are relatively resourceless when compared to those occupied by non-European people. And yet, the European is saddled with great wealth, economic and political power. He controls the globe and maintains the world in a state of terror, and has the earth now on the brink of suicide. We must question how is it that a minority people, a very small percentage of mankind, a people who are essentially resourceless in terms of their natural resources, maintain the power they have. Why is it that the people whose lands contain the wealth of the earth are the poorest people? Why is it that Africa with some twenty (20) or thirty (30) strategic metals that make the space age possible—why is it that the image of Africa is projected at us time and time again as that of starving children, as societies in disorder, as societies on the verge of disaster?

This implies, to my mind, that there must exist, a political and social situation wherein the mental orientation of our people must be so structured, that the power and ability of the Europeans to rule this earth are continually maintained... The imperialistic European must essentially function in a very devilish fashion. That is, in a fashion that uses deception as its major characteristic. Consequently, fundamental values and ways of seeing reality must be reversed. The good must appear to be the bad, the light dark. Truth must be taken for the lie; the lie for truth. Otherwise a small group, such as European people could not continue to keep the rest of the world out of its mind. The European hegemonic establishment must project false and injurious ideologies that are accepted by its victims.'

Burying Imperialism in Africa?

Sekou Toure's bold assertion asserts that imperialism will be buried in Africa. From a Eurocentric perspective that might have seemed optimistic, and indeed some commentators asserted that it was not grounded in reality and that we were, if anything, being crushed by imperialism's might. However, looking at it from a revolutionary Pan-African perspective one simply sees it as inevitable. Actually, imperialism can only be defeated in Africa. Although there is a revolutionary fightback globally and most notably throughout South America, it is only when Africa is finally free and regains its sovereignty that imperialism in its current form can be buried, since it is Africa that fuels the space age. The onus is on revolutionary Pan-African organizations and movements, on the continent and in the Diaspora, to provide clear analysis and strategies that are capable of thwarting the enemies' plans at every point in the evil axis of Euro/American imperialism, Saudi and Qatari sponsored Salafism parading as Islam, and the neo-colonial regimes in Africa and the Diaspora. There is no room for weakness, ineffective ways of operating that drain our resources and fail time and time again to achieve results. There is no room or time for indecision leading to inaction.

Bury imperialism in Africa or perish?

In a recent interview with The Southern Times, veteran African freedom fighter and former president of Namibia, Sam Nujoma, was extremely critical of the African Union's weakness, stating that they 'had woefully failed to mobilize militarily to stop the bombing of Libya and that the African Union should have mobilized their forces in order to fight and defend the territorial integrity of Libya.'

He offered the following advice on confronting what he identified as a new scramble for Africa: ‘Africans should talk war – the language best understood by Western countries...The imperialists understand no other words than fighting. We dislodged them from our continent by fighting them. If we did not fight in Namibia or in Zimbabwe or elsewhere, we would not be free today. We must now prepare to fight them again...’

Nujoma stated that Africa’s sovereignty was not up for debate and called upon the youth of Africa, to prepare themselves to fight and defend the continent.

Where is African Power?

It is only with access to Africa’s resources, that modern day empires, fuelled by industrialized and high-tech economies, can be built. Even Arab countries, such as Saudi Arabia and Qatar, are in the scramble for African lands to grow food for their populations, and African resources to fuel their economies. The Lebanese, Saudis, Qataris and Israeli’s are among those that rival the Europeans in their plunder of Africa’s wealth. It came as no surprise that it was the Lebanese who assisted the French to draft the so-called ‘No-Fly Zone’ resolution which spelled Libya’s destruction. The same Lebanese, who now so hypocritically recognize Syria’s plight in the face of groups of Salafi terrorists being armed, trained and organized by the NATO member states, and are calling for no outside intervention with an agenda for regime change in Syria. The only Arab nations to oppose NATO’s invasion of Libya were Algeria, Syria and Mauritania. Qaddafi’s plans for Africa were inimical to the Lebanese and other Arab business interests on the continent. Like their European counterparts, they simply could not afford a united and independent Africa.

Libyan Popular National Movement

The fight back is on and intensifying in every region of Libya. The NTC is definitely not in control, and faces a well-coordinated armed rebellion on a daily basis. Qaddafi loyalists have launched the Libyan Popular National Movement, which embodies the principles of the Al Fateh revolution and draws on 40 years of experience in struggle against imperialism, pseudo-Islam and neo-colonialism. Its leader, Qweldi al Hamedi, was one of the original members of the Free Unionist Officers that toppled the pro-western monarchy of King Idris back in 1969. He lost his pregnant daughter-in-law and three of his grandchildren when his home was bombed by NATO. This man, like Muammar Qaddafi and Abubakr Younis Jabr, is a man of steel. Prior to the NATO invasion, Qweldi al Hamedi was semi-retired, and now in his 70s, after losing so

many of his family members, is once again in the trenches. As revolutionary Pan-Africanists, we must give unwavering support to the Libyan Popular National Movement, the natural heir of the Al Fateh Revolution.

Axis of Evil: Imperialists, Neo-Colonial Regimes and Salafists

Imperialism and its neo-colonial client regimes have been written about extensively and are old members of this axis. Osagyefo Kwame Nkrumah provided us with a masterful analysis of neo-colonialism in Africa in his book *Neo-colonialism: The Last Stage of Imperialism*. Pretenders to Islam are the enemy in the house. The Salafists are a less understood and recent member of this most unholy of alliances. While we were sleeping, these religious charlatans were quietly stealing the minds of large numbers of Muslim youth throughout Africa and the Arab region. It was not a difficult task. The Salafists had, and continue to receive massive financial backing to the tune of millions from the medieval Wahhabi creatures in Saudi Arabia and Qatar. This allowed them to prey on the disillusioned and poverty stricken youths throughout the continent and the Arabian Peninsula.

They seduced the poorest of them with scholarships, covering all costs, to Salafi infested institutions, where they have been and continue to be, indoctrinated with a simplistic, puritanical and one dimensional view of Islam and the world. The Salafis offer themselves to the Muslim Ummah as the sole solution to the crisis of modernity and secularism. This is opium for the people, especially the youth. It appeals to the poor and marginalized who have little or no education. It also appeals to youth from the wealthier middle-classes, who are completely disaffected by the hypocrisy and double standards of their parents' generation—a generation which they perceive as having 'sold out' to the West, which entailed abandoning their Islamic values. To these youths, the Salafists seem to be the only ones talking militancy and offering a tangible solution.

This is not the first time we have witnessed the emergence of such movements. In recent history, we have observed the emergence of fascist movements, which in all their tendencies, offer simplistic and puritanical solutions to the crisis of capitalism and existing political systems, and prey on the disillusionment, disenfranchisement and fear of the masses, especially the youth. We have also seen deviant religious ideas used as a weapon during slavery, throughout the colonial project and in Apartheid South Africa, to name a few examples.

The Salafists have become imperialism's shock troops—foot soldiers doing their dirty work. It is no accident that Ansar Dine has emerged out of the blue to challenge the revolutionary nationalist and Islamic MNLA in Mali, while in

Nigeria, Boko Haram is well funded and armed to wage war against the Nigerian state, bombing Christian churches and killing Muslims who do not adhere to their Salafist doctrine, and all the while shouting Allahu Akhbar. Throughout the continent, Salafism is on the rise, posing a serious threat to the Pan-African struggle for the liberation of Africa and the creation of a United States.

As I write, the Salafist Ansar Dine which is linked to Al Qaeda in the Islamic Maghreb (AQIM) are destroying historical religious and cultural artifacts in Timbuktu, on the grounds that they are somehow un-Islamic. An observer aptly referred to them as ‘madmen with guns’. Let us be clear, that in order to defeat these enemies of Islam, Africa and humanity, we have to wage war against them on every front, including in the realm of theology and ideas. The battle of ideas is crucial, since it is the hearts and minds of the youth that have been captivated. It is important to understand that these pretenders to Islam are not revolutionaries but are rather reactionaries in the true sense – both racist and fascist; they are not rebels but are actually counter-revolutionaries, with little or no understanding of Islam.

For them Islam and Arab culture is one and the same thing. They are religious deviants, preaching a false and misguided theology, in order to achieve their objective, which is to subvert Islam and dominate the Ummah. This is not a new battle but is a battle that has been waged since the time of the Prophet and before. The Salafists’ objective is to ensure that Islam is stripped of its revolutionary essence and reduced to a mere ritualistic/legalistic doctrine and practice, which will no longer challenge the existing order. The Muslim Brotherhood and the Salafist parties are no threat to western economic and geopolitical interests in the region and globally. Their electoral outfits, wherever they assume political office, will implement neo-liberal economic policies and will manage the ‘free market’ economy with an ‘Islamic’ veneer. Zia-ul-Haq (not the former president of Pakistan, but the Muslim scholar) showed how the early conflicts in the Muslim world shaped the Wahhabi/Salafi mindset:

‘After the civil wars and counter revolution of the Umayyads, the revolutionary principles of Salat, Jihad, Zakat etc., were all reinterpreted in a feudal framework. Feudalism reasserted itself when under monarchy and autocracy, feudal social and economic relationships of master and slave, lord and serf, king and his subjects replaced the pristine revolutionary principles of justice and social equality...feudal Islam was a political instrument to enslave the broad masses in the name of pristine Islam...Feudal Islam was thus a negation of the Qu’ranic Islam, the Islam of the prophet-revolutionaries, the Islam which was synonymous with truth, justice, social equality, sincerity and humility.’

Qaddafi knew them well. In the early 70s he spoke of this ongoing battle:

‘As the Muslims have strayed far from Islam, a review is demanded. The Libyan revolution is a revolution for rectifying Islam, presenting Islam correctly, purifying Islam of the reactionary practices which dressed it in retrograde clothing not its own.’

‘Soon we’ll find out who is the real revolutionaries cos I don’t want my people to be tricked by mercenaries...’

African youth, especially Muslim youth, need to familiarize themselves with the writings and teachings of the real revolutionary Islamic thinkers and Islamic liberation theologians, such as Muhammad Iqbal, Ali Shariati, Mahmoud Ayoub, Ayatollah Mahmoud Taleqani, Muammar Qaddafi, Louis Farrakhan and Wesley Muhammad among others. Revolutionary Pan-Africanists must heed the call of Nigeria’s African Renaissance Party and join with them in applying pressure on the African Union not to recognize the NTC racists in Libya. We must also put pressure on African governments in the Caribbean to do the same. They must, as Qaddafi implored us in his final message – ‘hold down our corner’. We need to make sure that wherever we are, the battle against these enemies of humanity is raging.

As the brothers and sisters of the Pan-African Society Community Forum stated, ‘African neo-colonial agents of imperialism have no strategic power. They have no economic or financial power, which therefore means that they have no strategic political power. Whilst they have a degree of operational powers, they are under the total strategic control of their racist masters; they’re active tools of imperialism’s racist agenda as well as its economic one. The racism of the imperialist system is still present, but the role of the African neo-colonial agents is disguising it at the point of conflict.’

Those who are committed to the unification and total liberation of Africa must understand and grasp Qaddafism, the revolutionary theory and practice of the Al Fateh revolution of 1969. It is a theory of revolution capable of ushering in a new era of popular democracy in Africa. In the words of Qaddafi himself, ‘democracy can only occur when power, wealth and arms are in the hands of the African people’. Presently none of these are in our hands, and the ludicrous mimicry of the western parliamentary system parading as democracy is obsolete. If we are to succeed in our protracted struggle against imperialism, neo-colonialism and religious deviationism, we must have a revolutionary theory that provides us with the tools to combat Africa’s enemies, while also providing us with the guidelines for social, economic and political reconstruction on our own terms.

Qaddafism and its concept of a Jamahiriya which means ‘State of the Masses’ was developed under African skies, by a Bedouin, who was able to create a system that embraced the values, traditions and entire way of life/culture of the people it was designed to govern. It is, in every sense of the

word, a political theory and system of governance indigenous to Africa. It offers an Afrocentric alternative to the two Eurocentric paradigms that have been dominant globally in this epoch, that is, Liberal Capitalism and Marxism. Qaddafism addresses the problems confronting Africa as a result of the imposition of alien ideologies and political systems, in that it gives us a political theory and practice that is wholly applicable to Africa and the African psyche.

What makes Qaddafism unique is that unlike so many great thinkers to have emerged from the global south, there are no traces of Marxism or any other European revolutionary ideas lingering in Qaddafi's political thought. Those who disagree with this premise need to examine the history of Islam during the period of the Prophet Muhammad and before, and the history, culture and indigenous political systems of Africa. It is clear from such research that Qaddafi's socialism and concept of popular democracy are rooted in the ancient democratic practices of Africa and early Islam, which are far older than any Greek and European notions of democracy and European versions of socialism.

This is why there are so many challenges faced by those of who have been involved in the dissemination of the ideas contained in *The Green Book*, and the attempt inside Libya to put these ideas into practice. It is important to understand that any attempt by any non-western leader to develop and articulate a political theory which is outside western intellectual tradition and paradigms, is unacceptable in the halls of western academia and political circles, and unfortunately many of our academics are still tangled up in these circles and influenced by them. Non-western political thought is frowned upon, and only those scholars whose works are shaped by Enlightenment ideologies such as Liberalism and Marxism are given any serious consideration. Hence, the deliberate marginalization and ridicule of Qaddafism and *The Third Universal Theory* by Eurocentric academics, political philosophers and activists is to be expected.

There can be no doubt that one of the gravest enemies of Africa has been the imposition of European materialist ideologies and political systems – whether they emanate from right or left. Africa's true liberation cannot occur unless we free ourselves from this 'conceptual incarceration'. We must move beyond 'multi-partyism' and 'electocracy' parading as democracy. We must reject the criminal and fraudulent neo-liberal economic policies that have been imposed on us with the full complicity of African neo-colonial regimes. Also, we must reject Marxist 'solutions' as yet another imposition of an alien ideology.

Another important factor in the negation of Qaddafi's ideas in western circles, and sadly in some non-western circles still influenced by western thought, is that secular European discourse is unable to comprehend an ideology such as the *Third Universal Theory*, precisely because this ideology acknowledges the transcendental and metaphysical dimension of human

civilization and existence. However, it is this very aspect of the ideology that provides us with an alternative model for social and political reconstruction and transformation in synergy with our culture and traditions, which for Africans is deeply rooted in the metaphysical and transcendental.

This is why the rejection of Marxism being applied as a theory of social change in Africa is as inevitable as our rejection of the Liberal/Capitalist paradigm. However, the rejection of Marxism is not yet accepted by all Pan-Africanists, despite the fact that many of our greatest African thinkers have lamented the fact that Marxism is fundamentally at odds with African culture and thinking and therefore doomed to fail as a solution to Africa's crisis.

Oba T'Shaka, puts it this way: 'While Marxism represents western man's best attempt to formulate a just system of thought and a conception of the just society in the modern world, the fundamental flaw of Marxism is its western orientation...precisely because Marxism is a product of the European mind and the European worldview, it accepts the Greek notion that 'nothing can give rise from nothing'. Marxism is rooted squarely in a western materialistic paradigm, which regards the invisible or the spiritual as superstitious...this is a fundamental flaw in Marxism because it denies our humanity, which is tied to a spiritual—physical—spiritual—material unity and synthesis. Only when man and woman as physical beings aspire to be better spiritually can we become truly human. The inability of Marxism to deal with the invisible spiritual is the central reason why western Marxism has not even offered a conception of a just human being. Marxism simply proposes that somehow human beings will be better if the goods are equally distributed. Here Marxism is only partially correct.'

In contrast, Qaddafism is a holistic paradigm incorporating the theological, philosophical, political, economic, legal and scientific principles, all inter-related. As such, it represents an ideological paradigm that is applicable to Africa and indeed other parts of the global south. Molefi Kete Asante explains another fundamental aspect of Marxism that places it at odds with the African psyche:

'Marxism over-simplifies the significance of our history... In some ways Marxism acts on the same Eurocentric basis as Capitalism because for both, life is economics... The class-warrior attitude dominates the thinking of Marxists and capitalists. It is a war of class against class, group against group, and individual against individual...Marxism's base is antithetical to the African concept of society. Life for the Afrocentric person is organic and harmonious... However, the Marxist view of life is as competitive as that of the capitalist, since both are rooted in Eurocentric materialism.'

Qaddafism on the other hand rejects the notion of class-warfare and sees the aim of the nation as an integral whole striving for harmony, which must not be fragmented or socially stratified along class, tribal, ethnic or partisan lines. It is a 'party-less' system because the political party is seen as an instrument which

fragments and divides the society. As Yahaya Ndu of the African Renaissance Party of Nigeria said:

‘The western world has through the systems of government that it has forced upon Africa today put the whole continent in collective amnesia, which has rendered the continent totally stultified to such an extent that it is incapable of doing anything about its sorry state. Unless and until Africans can return to their own form of democratic governance there can be no salvation for her and her peoples.’

He goes on to state that, ‘Historical revelations point to the fact that democracy was practiced in Igboland of Nigeria long before it found its way to Greece and that western visitors to Igboland strikingly discovered the extent to which democracy was truly practiced.’ He cites a number of academics and historians who saw the Igbo political culture as, in their words ‘ultra-democratic in its values and having no hierarchical type of political organization’. Ndu concludes it was ‘this political climate or tradition that gave everyone who cared, the opportunity to mobilize and distinguish him or herself’. In other words, it was a model of direct and ‘party-less’ democracy which can be traced, in its various forms, to many parts of the African continent. It is this same concept that was implemented in the Libyan Jamahiriya, where ‘everyone who cared’ was able to fully participate in making the decisions that affected their lives through a network of People’s Congresses and Popular Committees.

The Africans are oppressed by the enemies military and economic might. However, both their military and economic might would have been humbled if only we were not still captivated by and adopting alien ideologies and political systems, that have stood in the way of our total liberation for so long. It is imperative that we free ourselves from these ideologies and the neo-colonial regimes that foster this mindset. The struggle must be intensified against this axis of evil on every front, and most importantly at the battlefront of ideas. For, if we do not free ourselves mentally, then I fear that we will fight these same battles many times over and not see the change we fight for. Unfortunately many more lives will be lost before we realize that one of the most potent weapons in our arsenal lies, in the words of Amilcar Cabral, in our ‘return to the source’.

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Neoliberalism and Imperialism: Global Exploitation as Oppression



Overview

Headline news stories about cases of modern slavery, human trafficking or forced labor have become part of the 'new normal' in this era of global labor relations. Captive migrant laborers in the tomato fields of Florida, child labor in the cacao plantations in West Africa, forced labor in the UK food sector and construction industry, and trafficking in persons for economic gains are examples of the growing, complex and multifaceted reality of forced labor under neoliberal capitalist exploitation. Capital is value accumulated through the exploitation of workers' labor and then set in motion to expand further exploitation. Despite this important tradition of scholarship in Marxist historiography, however, there is still a strong tendency to dissociate capitalism from violent and coercive forms of labor. This position often takes the form of a soft functionalism whereby capital's ability to use supposedly non-capitalist forms of exploitation are acknowledged historically without having any theoretical impact.

Fragile Global Economy Today

Capitalism in its current neoliberal form is the most successful wealth-creating economic system that the world has ever known; no other system, as the distinguished economist Joseph Schumpeter pointed out, has benefited “the common people” as much. Capitalism, he observed, creates wealth through advancing continuously to ever higher levels of productivity and technological sophistication; this process requires that the “old” be destroyed before the “new” can take over. Technological progress, the ultimate driving force of capitalism, requires the continuous discarding of obsolete factories, economic sectors, and even human skills. The system rewards the adaptable and the efficient; it punishes the redundant and the less productive.

This “process of creative destruction”, to use Schumpeter’s term, produces many winners but also many losers, at least in the short term, and poses a serious threat to traditional social values, beliefs, and institutions. Moreover, the advance of capitalism is accompanied by periodic recessions and downturns that can wreak havoc in peoples’ lives. Although capitalism eventually distributes wealth more equally than any other known economic system, as it does tend to reward the most efficient and productive, it tends to concentrate wealth, power, and economic activities. Threatened individuals, groups, or nations constitute an ever-present force that could overthrow or at least significantly disrupt the capitalist system.

Revolt in the international system against a global economy characterized by open markets, unrestricted capital flows, and the activities of multinational firms appears repeatedly in the guise of trade protection, closed economic blocs, and various kinds of cheating. Individual nations and powerful groups within nations that believe the world economy functions unfairly and to their disadvantage, or who wish to change the system to benefit themselves to the detriment of others, are an ever-present threat to the stability of the system.

The international capitalist system could not possibly survive without strong and wise leadership. International leadership must promote international cooperation to establish and enforce rules regulating trade, foreign investment, and international monetary affairs. But it is equally important that leadership ensure at least minimal safeguards for the inevitable losers from market forces and from the process of creative destruction; those who lose must at least believe that the system functions fairly. Continuation of the market or capitalist system will remain in jeopardy unless considerations of efficiency are counterbalanced by social protection for the economically weak and training/education of those workers left behind by rapid economic and technological change.

With the 1989 end of the Cold War, many proclaimed the “triumph of global capitalism”, and by the late-1990s, the American people were enjoying what *The*

Economist of London called the “longest-ever ... economic expansion.” Unemployment (about 4 percent) was the lowest in almost thirty years, wages were up for most American workers, and inflation was low; this was indeed an economic achievement. The performance of the stock market was extraordinary as the Dow Jones index broke through the 10,000 mark in the spring of 1999; the “wealth effect” of the high stock market, which encouraged Americans to spend freely, draw down their personal savings, and go deeply into debt, fueled rapid economic growth. With the rest of the world in recession or other dire economic straits, many Americans believed that the United States in the 1990s had fashioned a new type of capitalist economy and had escaped forever from ills historically associated with the capitalist system.

This New American Economy (NAE), many declared, had been created by several important developments, including the freeing of markets from excessive government regulations, downsizing and restructuring of American corporations, and rapid technological advances (especially the computer, information technologies, and the Internet). Moreover, economic globalization, high rates of productivity growth, and the openness of the American economy to imports had kept prices down and dampened inflationary pressures, thereby allowing the Federal Reserve (America’s central bank) to pursue expansionary economic policies. Moreover, reduction of the federal budget deficit, superior business management, and reinvigorated American entrepreneurship had made the American economy better suited than its Japanese and European competitors to take advantage of the Internet economy and the inevitable shift of the advanced economies from manufacturing to service industries. These developments had greatly increased the international competitiveness of the American economy.

Enthusiastic supporters of the NAE even proclaimed that the American economy had transcended the “boom and bust” of the business cycle that has historically plagued capitalist economies. It seemed that the economic boom could continue forever. Most academic economists, on the other hand, were skeptical of such claims and warned that the American economy was experiencing a “speculative bubble.” Like the Japanese bubble of the late 1980s and similar bubbles of the past, the American bubble would also necessarily burst one day.

Rejoicing in their own good fortune, Americans failed to appreciate that the country’s prosperity was highly dependent on the global economy and that, in international economic affairs as in other aspects of life, no person or country is an island. Few appeared to be aware that, although global capitalism had indeed triumphed, the larger global economy was in serious trouble. Nor were they concerned that the Clinton Administration and the Congress were doing very little about it. However, rapid U.S. economic growth throughout much of

the 1990s was significantly assisted by exports to overseas markets and also by large amounts of imported capital as well as by inexpensive imports. The United States is one of the world's largest exporters, and long-term economic progress is dependent on these exports. Many American workers benefit greatly from the export economy because exports are associated with higher paying jobs. With the lowest rate of personal savings in the industrialized world, the American economy has also become very dependent on capital imports, and it prospered in the 1990s in part because foreign investors were contributing significantly to financing the American stock market and thus to economic growth.

Although the changes associated with the NAE provide part of the explanation of America's good economic fortune in the 1990s, equally important contributing factors included skillful management of the economy by the Federal Reserve under the chairmanship of Alan Greenspan and just plain good luck. And the United States benefited from highly favorable international developments. The victory over inflation and low interest rates was due in large part to the fact that the rest of the world economy was experiencing slow growth or recession throughout much of the 1990s; this situation led to lower import prices, especially for petroleum, other raw materials, and consumer goods. For the same reason, the United States has been able to import huge amounts of capital on highly favorable terms; with few other places to invest their capital, both American and foreign investors inflated the American stock market or purchased Treasury bills. As Greenspan has warned, the resultant accumulation of foreign debt could cause the dollar to fall significantly and cannot continue forever.

Resumption of economic growth in Europe and Asia would lessen these favorable conditions and, in the short term, would slow U.S. economic growth, even though over the longer term a revival of global economic growth would immensely benefit American exports. Furthermore, it is not clear that the revival of productivity in the late 1990s can be sustained. During the Reagan boom of the early 1980s, a similar jump in productivity occurred; that boom dissipated by the end of the decade. The increase in productivity in the 1990s could be due to the fact that Americans have been working harder and longer during the boom years rather than be a consequence of the computer and information economy.

Throughout the 1980s and 1990s, America's trade/payments deficits reached record highs. Since the early 1980s, in fact, Americans have borrowed approximately \$5 trillion from the savers of the world, especially the Japanese, to finance their consumption and investment. In the mid-1980s, the United States went from its post-World War I position as the world's largest creditor nation to become its largest debtor. If one discounts American investment overseas, the net American international debt in the late 1990s stood at

approximately \$1 trillion; as a consequence, a sizable portion of the federal budget must be devoted to interest payments on this huge and increasing debt. Furthermore, throughout the 1990s, Americans had emptied their personal savings accounts to fuel “seven years of good times”, leaving too little for the “seven years of bad times” that many and perhaps most economists believe loom ahead; the spending spree left 20 percent of American households net debtors. And the “good times” of the 1990s left many behind as the income of the least skilled lagged. Americans appeared to be unaware that one day the nation’s huge accumulated debt will have to be repaid and serious adjustments in the American standard of living will be necessary.

If Japan, Western Europe, and the “emerging” markets of East Asia had also grown rapidly throughout the 1990s, world commodity prices (e.g., for oil, food, and raw materials) would have soared and increased inflationary pressures, and thus would have dampened American economic growth. However, America’s unprecedented good economic fortune will one day run out, and when it does the United States must confront its low personal savings rate, deteriorating education system, and accumulated foreign debt, and it must also adjust to a rapidly changing global economy characterized by intensifying competition, exclusive regional arrangements, and an unstable international financial system. The developments transforming the global economy pose a significant challenge to the United States.

Propelled by a number of political, economic, and technological developments, the world has moved from the sharply divided international economy of the Cold War to an increasingly integrated global capitalist economy. The end of the Cold War in 1989 and the subsequent disintegration of the Soviet empire were, of course, extremely important to this change. The rapid industrialization in the 1980s and 1990s of the emerging markets of East Asia, Latin America, and elsewhere shifted global economic power and created an increasingly competitive international economy. Furthermore, the continuing technological revolution associated with the computer and the emergence of the information economy accelerated the shift of the advanced industrialized countries from manufacturing-based toward service-based economies. Enormous increases in international trade, financial flows, and the activities of multinational corporations integrated more and more economies into the global economic system in a process now familiarly known as “globalization.” However, by the end of the decade these developments had also produced upheaval in both domestic and international affairs.

The global economic turmoil of the late 1990s, which began in Thailand in July 1997, reflected the growing impact of global economic forces on international economic and political affairs. Spreading quickly throughout the industrializing economies of Pacific Asia, and even to Japan (already afflicted by

serious economic and political troubles), this turmoil soon engulfed much of the world. By the fall of 1998, a quarter of the world economy, including that of Japan, which is the world's second-largest economy, was in recession. Evaporation of wealth in Pacific Asia and elsewhere was enormous and commodity-exporting countries, including the United States, suffered huge losses as their export markets dried up. Although the Russian economy constituted only a small portion of the international economy and its troubles were largely of its own making, disturbing economic news from Russia in the late summer of 1998 roiled international financial markets, and a large drop in the American and other national stock markets followed. The psychological impact of these developments caused worried investors to withdraw from Brazil and other emerging markets.

Whereas the emerging markets had been hailed in the early 1990s as a source of huge profits for American investors, by the end of the decade they were considered a major source of global economic and political instability. In the 1980s, it would have been unthinkable that a financial crisis originating in a minor Southeast Asian economy could bring harm not only to the United States but also to the rest of the world. Indeed, during the Reagan and Bush Administrations (1981-1993), the United States had been celebrated as the only true superpower; President Bush (following victory in the Gulf War) proclaimed the "New World Order" of peace, prosperity, and democracy with, of course, the United States at its core. A decade later, however, serious doubts had arisen about the prospects for a prosperous and peaceful new world order based on American leadership.

At the beginning of the twenty-first century, the increasingly open global economy is threatened. Although the East Asian and global financial troubles have significantly moderated, the vulnerability of the international financial and monetary system threatens the stability of the global economy; although financial crises appear to be an inherent feature of international capitalism, only half-hearted measures have been taken to prevent future financial crises. In addition, the unity and integration of the global economy are increasingly challenged by the spread of regional economic arrangements; both the European movement toward greater economic and political unity and the North American Free Trade Agreement (NAFTA) represent important shifts away from an open global economy. And, most important of all, the political foundations of the international economy have been seriously undermined since the end of the Cold War.

Even though the globe has become increasingly integrated both economically and technologically, it continues to be politically fragmented among independent, self-interested states. The forces of economic globalization--trade, financial flows, the activities of multinational corporations--

-have made the international economy much more interdependent. At the same time, the end of the Cold War and the decreased need for close cooperation among the United States, Western Europe, and Japan have significantly weakened the political bonds that have held the international economy together. As a consequence, the rule-based international economic system laid down at the Bretton Woods Conference (1944) has greatly eroded. Despite some important reforms, including the 1995 creation of the World Trade Organization (WTO), the rules governing trade, money, and other international economic matters are no longer adequate for a highly integrated and fragile global economy.

The problems arising from increased economic integration of national economies necessitate new rules or modification of older rules to deal with pressing economic issues and ensure the continued existence of an open and stable global economy. The international integration of financial markets, the increasing importance of multinational corporations and foreign direct investment, and the spread of regional economic blocs call for action by the major powers and the rising economies of East Asia and elsewhere. Continuing failure of the international community to address crucial international economic matters threatens the stability of the global economy. Improved governance and management have become imperative.

Atrophy of the political cooperation that characterized the post-World War II international economic order has undermined the foundations of that order. A stable and prosperous international economy (like a domestic economy) requires strong and stable political foundations to undergird the institutions and rules governing the system and to prevent problems from escalating into crises like the post-1997 financial crisis. Strong international leadership, cooperative relations among major economic powers, and a commitment by citizens to an open world are all crucial elements. From 1945 to the 1980s, strong and generally prudent American leadership, close cooperation among the United States and its major allies, and a domestic consensus in the major capitalist economies favoring free trade and an open world economy provided a firm base for the development of the integrated international economy. However, the foundations first laid down at Bretton Woods have been weakened as have the shared political interests, mutual understandings, and cooperative arrangements of the Cold War decades.

By the beginning of the twenty-first century, American leadership of the world economy had been significantly weakened by a number of developments. The faltering domestic consensus on economic affairs contributed to that decline. Whereas, during most of the Cold War, the federal government had been expected to assume an important role in management of both domestic and international economic affairs, the market became ascendant with the

presidency of Ronald Reagan, and many began to believe that the market alone could govern the world. The end of the Cold War has undermined America's ability and willingness to pay the economic and other costs of world economic leadership. Throughout the Cold War, Americans believed that partisan political concerns and other divisive issues should be set aside in the interest of national unity in foreign affairs; collapse of the Soviet threat greatly weakened this belief. In the economic realm, the American domestic consensus supporting free trade was weakened by ideological and political schisms regarding economic policy and by growing fears that economic globalization was threatening American economic well-being.

In the 1990s, many constituencies in the United States protested expansion of trade and foreign investment, arguing that they harmed the American worker, the environment, and human rights. Simultaneously, more and more Americans attributed the country's economic and other problems to globalization, and accused imports and corporate investments overseas of hurting American workers, small businesses, and the overall society. Many, for example, began to believe that increased economic inequality, declining real wages, and increasing job insecurity had been caused by increased competition from Mexico, Pacific Asia, and other low-wage economies. This shift in thinking was well illustrated by the acrimonious 1997 debate over and the failure of Congress to approve "fast track" authority to facilitate new trade negotiations, and by the lengthy 1998 delay of congressional approval of an appropriation (\$18 billion) for the International Monetary Fund (IMF).² Attacks from both the political right and left on the evils of the global economy have become symptomatic of America's retreat from international leadership.

Since the end of the Cold War, economic cooperation among the United States and its allies has eroded considerably, and American foreign and economic policy has become more unilateral and self-centered. This shift away from international cooperation began in the mid-1980s when the Reagan Administration abandoned the postwar commitment to economic multilateralism in favor of a "multitrack" trade policy that included managed trade and NAFTA; the United States became converted to economic regionalism. The Clinton Administration's aggressive economic offensive against Japan in the early 1990s underscored America's abandonment of multilateralism and of its prior emphasis on international cooperation with its Cold War allies. The Administration's "managed trade" policy toward Japan would never have been launched during the height of the Cold War.

Meanwhile, the Europeans also became much more parochial in their economic and political concerns than in the past. Their energies have been focused on intensified efforts to create a European economy and polity. They have wanted to stabilize the Continent politically, create a globally competitive

European economy, and strengthen their economic and political position vis-à-vis the United States and, to a lesser extent, Japan. Led by the French-German economic alliance, the West Europeans have concentrated on achieving economic unification of the Continent and strengthening the European Union.

The Japanese have also reoriented their economic and foreign policies. Following the 1985 Plaza Agreement and the consequent substantial appreciation of the yen, the Japanese political and economic elite increased their attention to Pacific Asia, and renewed interest in the region led to efforts to fashion a regional economy tightly linked to Japan. Japanese multinational corporations, strongly backed by the Japanese government, created integrated production networks of Japanese and local firms to strengthen the competitiveness of Japanese firms in the global economy. Although this effort has been set back by the East Asian financial crisis and Japan's own economic problems, the concerted effort to forge a Japanese-led Pacific Asian economy has continued and signifies Japan's increasing assertiveness and independent stance within the global economy.

Failure of the major capitalist powers to launch any coordinated effort to deal with the post-1997 instability in international financial markets revealed the extent to which international cooperation had receded. The weakness of American leadership was painfully evident in President Clinton's speech at the Council on Foreign Relations on September 14, 1998, and in subsequent discussions among the major economic powers (G-7) following the October 1998 annual joint meeting of the World Bank and International Monetary Fund. The centerpiece of the President's Council speech--a proposal for a global cut in interest rates--met a cool reception. The Bundesbank, more concerned with fighting inflation than with the health of the global economy, turned the President's proposal aside; Japan, with nearly zero percent interest rates already and weighed down by its own enormous troubles, appeared to do little to stimulate its economy. Although agreement to create a new loan fund in the IMF was reached by the G-7, there has thus far been inadequate progress in safeguarding international financial matters.

Many political leaders, business executives, and scholars, especially in the United States, dismiss concerns about the future of global capitalism. The world economy, they point out, has become market dominated, and free markets can successfully guide the global economy to ever higher levels of prosperity and stability. According to this argument, the failure of the former command economies and the closed economies of the less developed countries caused governments everywhere to turn toward market solutions to economic problems. Among developed countries, deregulation, privatization, and other reforms have reduced the role of the state in the economy and have led many to proclaim the triumph of international capitalism and the economic ideas on

which it rests. This belief in the secure victory of liberated capitalism may turn out to be valid, but it is important to recall that the world passed this way once before in the laissez-faire era prior to the outbreak of World War I and the subsequent collapse of that highly integrated world economy. Although the threat of another major war is very small, other developments could bring down or at least seriously damage the contemporary international capitalist system. As the revolt against globalization in the United States and other countries reminds us, capitalism creates its own internal enemies.

Throughout this chapter I shall argue that international politics significantly affects the nature and dynamics of the oppressively exploitative international economy. Although technological advance and the interplay of market forces provide sufficient causes for increasing integration of the world economy, the supportive policies of powerful states and cooperative relationships among these states constitute the necessary political foundations for a stable and unified world economy. The international rules (regimes) that govern international economic affairs cannot succeed unless they are supported by a strong political base.

Since the end of the Cold War, all the political elements that have supported an open global economy have considerably weakened. Both the ability and the willingness of the United States to lead have declined, and although the formal framework of anti-Soviet alliances has continued, the Cold War allies' political unity has eroded as the United States, Western Europe, and Japan have emphasized their own parochial national and regional priorities more than in the past. Furthermore, the domestic consensus in both the United States and Europe has been worn away by years of increased income inequalities, job insecurity in the United States, and high levels of unemployment in Western Europe. Although major structural changes driven by technological change and ill-considered national policies carry a large share of responsibility for these social and economic ills, more and more people in the United States and Europe blame globalization and competition from foreign low-wage labor. Growing concern over economic globalization and increased competition have intensified the movement toward economic regionalism and the appeal of protectionism to fight exploitative global capitalist oppression.

Global Challenges at the Beginning of the Twenty-first Century

The greatest difficulty we have in describing our global condition as we enter the twenty-first century is that the picture that presents itself is so mixed. Measured in terms of personal prosperity, about one-sixth of the population of the world is enjoying uncommonly high standards of living, while a much smaller percentage of those families have achieved startling levels of wealth;

another one-third of humanity, in the so-called emerging economies, have seen rapid increases in per capita income over the past quarter-century; yet about one-half of the human inhabitants of the globe are still battling poverty, often to the most extreme degree. The same discrepancies exist in the realms of justice, human rights, democracy, and war and peace. States in, say, Scandinavia enjoy a happy combination of high prosperity, environmental care, social services, political and all other freedoms, whereas many countries in, say, Africa lag far behind on so many counts.

Such an extraordinarily mixed picture frequently defies our human comprehension and all too often leads observers to describe only partial accounts of the untidy, larger whole. Thus, the “cornucopian” school paints an exciting scene of a high-tech nirvana for mankind to enjoy whilst doomsters warn that we are crossing environmental and demographic thresholds that can bring disaster.

The challenge in producing such as work as *Global Trends 2000* is to capture the varieties of this mixed landscape yet at the same time avoiding blandness and lack of commitment. Perhaps the best way to think about where our planet is going is to pull right out from it and to imagine that we are members of, say, an extraterrestrial spaceship that has been circling the globe for many months, using sophisticated sensors to track ALL of the activities on this planet. The scientists in this spaceship have really advanced technologies, and big data banks, and are good at analysing lots of material, even the curious and conflicting stuff that is coming to them from the planet Earth. They have the task of sending back a summary report to their leaders on Mars, or wherever the spaceship has come from. What will they say about us, and our planet? What will impress them?

My guess is that the first thing they will report is that this is a LIVE planet, unlike so many of the barren ones they have visited in the galaxy. Not only is the Earth breathing and changing, with the seasonal alterations and the daily ritual of rainfalls and evaporation, but it contains millions of species which are also living and breathing and active. And of all those species—birds, animals, fish, insects—one in particular seems dominant. It is called *HOMO SAPIENS*, a two-legged mammal of various colors and sizes and two genders that lives about 75 years on average and dwells on land rather than in the water or in the air. This species has other notable characteristics. It lives in societies of many sorts and numbers, it is immensely creative, it dominates all other species, it has increasing control of the natural environment, and for better or worse it has immense powers of destruction, whether locally or globally... Right now, the Martian spaceship reports, one part of this species seems to be showering all sorts of projectiles upon another part, at a place the locals call Serbia. No other species does anything like this.

Members of the *Homo sapiens* species by no means possess the same resources as each other or live in the same circumstances as each other, which is very odd indeed to our extraterrestrial observers. All the other creatures on this earth, whether they be peregrine falcons or codfish or church mice, have as a species very similar daily lives and surroundings. But the human species is different. Some societies have levels of income 200 times higher than others. One of the spaceship's satellite cameras came low over a place called Silicon Valley and found a veritable hive of organizations creating immense wealth through the production of electronic software and hardware.

Of course this technology was still very primitive compared with that on Mars, but the human beings themselves clearly thought this was an important activity and were proud of what they were doing there. On the other hand, there were also many instances where members of this same species were experiencing totally different circumstances, hungry, homeless, torn by war, bereft of material goods, and living lives as wretched as those of their cattle or their dogs.

The reporting teams could not understand how or why this species *Homo sapiens* could tolerate such vast discrepancies, especially since their very own global communications made people in the richer societies frequently aware of their poorer brethren, through a primitive imaging and transmission system which they called television. Perhaps it was that many people in those richer lands seemed to spend so much of their time watching quaint sports events and talk shows and so-called sit-coms that they managed to forget about the rest of the world. This suggested to the extraterrestrial observers that this *Homo sapiens* species had some real problems which it might not be wishing to deal with.

The reason why the extraterrestrial observers believed that there were real problems on this planet Earth is not just the existing gaps between rich and poor societies, but also another sort of gap, that relating to population increases. Whereas the numbers of the other species on the Earth seem relatively stable, or in some cases have actually declined because of the pressures from humankind, the absolute numbers of *Homo sapiens* have been rising for centuries and still seem to be increasing. Roughly speaking, there appear to be six billion humans on this planet and about 85 million extra persons are added to the total every year. From the population projections that the humans themselves have made, they expect that the Earth's total of human beings may be as many as 8 or 9 billion by 2030 and might be many more at the end of the next century. There is a great debate among the Earth people as to what that means. Can the land feed 9 billion people comfortably? Can they find employment for 3 billion young people? Will the environment be destroyed?

Such questions, although important, would probably seem to the Martian analysts to be directed at second-level issues. They would guess that the Earth people are clever enough to produce enough food and sustenance for extra billions, and they are also becoming more environmentally aware, at least in the richer, middle-class societies. Agricultural production has a great potential for expansion, albeit through the uncertainties of biotechnology, and there is much room for creating and using energy much more efficiently.

No, the big problem that our extraterrestrial scientists are likely to point to is not the absolute increases in the human population but the very skewed or unbalanced pattern of these demographics between one region and the next. Roughly speaking the peoples of the Earth are divided into two types, those in what are called developed regions which are rich, technology-heavy societies, and those termed developing countries which are usually much poorer and have great social and economic deficits. The really interesting thing is that the total population of the richer lands is hardly expected to increase at all over the next 50 years whereas that in the developing regions is growing very rapidly indeed. One might have thought that the richer folks, having lots of resources, would want to enjoy lots of children; and that the poorer folks would be scared to have a large family.

But these humans don't appear to think like that. Generally, the rich peoples seem to spend their money on material goods rather than on extra children; and the poorest societies have the greatest tendency to produce large families even if this strains local resources and hurts the environment. This discrepancy is broken down into forecasts of population increases by each region of this planet, and the pattern is confirmed: Africa, Asia and Latin America all expect big rises in overall population, whereas those areas called Europe, Japan and North America will be stable or will probably decline in absolute numbers.

What makes this especially intriguing is that this socio-economic and technological "gap" between rich and poor societies is not accompanied by complete and severe geographical and physical barriers. It is true that horribly disadvantaged Africa is separated from prosperous Europe by waters called the Mediterranean Sea, and that a large river called the Rio Grande separates the rich United States from its poorer neighbors to the South. But those boundaries are porous, especially the second one, and in any case the United States is actively leading a campaign for what is described as "globalization", that is, the ever-increasing integration between all societies on the Earth, aided by technologies such as the Internet and the television, by increased travel opportunities, by student exchanges, by massive investments of private capital in overseas countries, by cultural interactions and international organizations.

In fact, many of these Americans believe that if the entire world lived like themselves, everything would be well. But the question that is rarely answered

by them, or answered convincingly, is “How can the poorer, resource-depleted countries become prosperous, stable democracies like the USA and Europe when they suffer from so many handicaps to begin with?” As this planet Earth goes into the twenty-first century, it appears that the economic and technical gaps between developed and developing countries are enormous and, in some cases, growing. Consider, for example, some simple data which compares scientific developments in one of the richer countries—in this case, Sweden—with the virtual absence of such technological activity in a poor country in Africa, namely, Uganda. Closing that gap is the single most important challenge facing the Earth’s governments, yet not too many of them appear to appreciate that fact. Indeed, despite the admirable work of the World Bank, the UNDP and a large number of non-governmental organizations in addressing this challenge, the citizens of many rich countries seem hardly to consider it to be a problem.

Still, it would be grossly inaccurate to suggest that a simple division could be made of the peoples of the planet Earth into rich or poor, with nothing in between. For reasons that are deep in human history but probably make no sense to extraterrestrial observers, the inhabitants of the Earth have divided themselves into more than 190 separate units which they call nation-states; each has some form of governance, national symbols like a flag and an anthem, security forces, and so on. Each attends a curious and often ineffective body called the United Nations, and joins in an Assembly to vote on international matters. Some of these nations are very large and populous, others are quite small. Given the pressures toward globalization, and transparency, and universal trading standards, it would be surprising if all developing countries were as poorly equipped as Uganda and all developed countries were as rich as Sweden. There are a goodly number of countries at an “in-between” stage, and they are perhaps the most interesting societies of all.

Table 1: Scientific and Technological Development in Uganda and Sweden (1995)

		Uganda	Sweden
Personal Computers	per 1,000 people	0.53	192.55
International telephone calls	minutes per person	0.25	108.17
Telephone lines	per 1,000 people	2.30	681.10
Cellular mobile phone subscribers	per 1,000 people	0.09	229.36
Internet users	per 1,000 people	<0.10	51.00
R & D scientists and technicians (1990-1996)	per 1,000 people	0.06	6.81

Source: UNDP 1998: Human Development Report 1998, New York

To illustrate this point, one might consider some basic data gathered by the UNDP regarding two very contrasting nations located in the Caribbean and Central America, namely, Haiti and Costa Rica.

Table 2: Development Indicators for Haiti and Costa Rica

	Costa Rica	Haiti
Economic growth rate per year (1980-95) (%)	3.41	-2.14
Military spending as a percentage of expenditure on education and health (1990-91)	5.0	30.0
Life expectancy at birth in years (1995)	76.6	54.6
Infant mortality per 1000 live births	13	94
Literacy rate (1995)	95	45
Human development index (ranking of all countries)	34	159
Gender-related development index	28	71

Source: see Table 1

They have roughly the same climatic conditions, so that cannot explain the great differences. Haiti has 7 million inhabitants, Costa Rica around 4 million. Yet there are incredible differences in their social and economic indicators. In every one of these indicators, the differences are so striking that they must seem incomprehensible to an outside observer. Moreover, these are chiefly data upon socio-economic indicators, and do not reflect political conditions. In addition, therefore, we should notice that, whereas Costa Rica is regarded as the model democracy of Central America and has led the efforts to arrange regional peace accords, Haiti is seen as a terrible “basket-case” with little prospect of significant improvement.

Yet it seems likely that one of the greatest contrasts between these two countries is much less known about, namely, the differences in military spending and in the role of the military. Haiti still has too many people in uniform, whether soldiers or armed police. Its spending on the military is high, and remains a diversion from much-needed investments in the civilian sector. Its government is ineffective and corrupt, and relies upon armed force. By contrast, Costa Rica has gone further perhaps than any other society in demilitarizing itself. It has abolished its Army, and invites its neighbors to do the same. Its political leaders, like Nobel Peace-Prize winner Oscar Arias, preach against the arms trade and against spending on weapons, whether of the large or small variety.

For all readers deeply interested in understanding global trends, this concern is worthy of being taken much more seriously by our governments, whether in the rich countries that make and supply the weapons (and here, ironically, the

liberal-democratic Americans are well in the lead of arms sales) or in poor, corrupt, non-democratic developing states that so willingly make the purchases.

The data available about armaments leads to a further matter for general concern, namely, the remarkable spending by rich and poor countries on their military compared with spending on education and health. Clearly, the developed nations have nothing to boast about; their spending on students and on healthcare are significant, but it is dwarfed by their spending on their military forces, and this despite the ending of a 40-year major arms race which we termed the “Cold War.” But the disproportionality of spending on military and non-military services is even more acute in the developing world, with rare exceptions like Costa Rica, Botswana and a few established democracies. A poor country which spends a mere \$ 22 per head annually on healthcare but \$ 9,000 on each of its soldiers (as many of them do) shows a warped sense of priorities that is not simply immoral and offensive; it is also probably the single best indicator that that country is in deep trouble or soon will be in trouble.

There are simple, understandable reasons why the Costa Ricas of the world flourish and the Haitis flounder. These have to do with human rights, transparent government, the rule of law, correct investments in society and infrastructure, the empowerment of women, the education of young girls, and freedom of expression. They have also to do with job opportunities, or lack of them, for the millions of young people coming onto the job market. Will they find gainful employment, or turn in unemployed frustration to youth armies, violence, and fundamentalist or ethnic movements? The answer to that critical question is a complicated one, but the basic data is not in dispute regarding the location of the major armed conflicts that have occurred on this puzzling and contradictory planet during the past decade.

Here, disturbingly, is a very real and persistent global trend. The 1990s conflicts were and are all in Africa, the Middle East and Central Asia, the Balkans, and parts of Latin America, that is, in regions experiencing a lack of a decent social fabric and the constant pressures of ever-growing populations. The latter is a point worth stressing, lest recent demographic indicators cause us to be over-sanguine about the future of our planet. Is it simply a coincidence that the country in Africa with the highest fertility rate is Rwanda, and the country in the Western hemisphere with the highest rate is Haiti, and the region in Europe with the highest rate is the province of Kosovo? A population explosion does not necessarily cause political and social collapse by itself, but it certainly produces a tinderbox of frustrations that can feed upon other reasons for conflict.

Still, these are the “basket-cases” and it may be unwise to allow ourselves to be mesmerized by them lest we draw too gloomy a picture of the Earth’s condition at the close of a century—which is why viewing the WHOLE planet

as outside observers in space is so useful an exercise. Thus, a more balanced way of looking at this problem might be to think of the 190 or so nation-states on our planet, or at least the 175 countries that are ranked in the UNDP's annual Human Development Report as being located in one of three groups.

The first is the prosperous, democratic, developed countries, chiefly in Europe, North America, Japan, and Australasia but joined by several others like Israel and Singapore, probably Chile and Argentina. They number around 30 to 40, depending on the "cut-off" point one makes to the composite list.

Then, at the lower end of the human development totem-pole, there are about 50 or 60 chronically low-income countries, chiefly in Africa but also in Asia and Central America. These are the poorest of the poor. It is highly unlikely that they will be able to rescue themselves, or that private international capital flows will come to help them. They all need help from the global community and trans-national bodies, presumably orchestrated by the World Bank.

The third and final group, perhaps the most important for the future condition of our planet, consists of the 60 or 70 states that are in the middle. Like the poorest group, they have large environmental and population and structural and social challenges, but they also have some educational and infrastructural resources, plus considerable (if rather unpredictable), access to capital. These include small island nations like Jamaica, but also big, populous countries such as India, Pakistan, Brazil, Mexico and Indonesia. With the addition of China, we are talking here about 60 % of the world's population. Where they go, you might say, goes the future of the Earth.

These are the nations, it will be recalled, that at present are being globalized, modernized, brought into the world markets and world labor force in an unprecedentedly swift time, virtually within one generation. Not surprisingly, these countries are often full of contradictions. India, for example, has the world's largest middle class, almost 200 million people, and the Bangalore region in the southeast is the second-biggest producer of computer software in the world; but those 200 million middle-class folks are surrounded by 750 million impoverished peasants and by chronic environmental stress. It is not an exaggeration to argue that these societies are in a race against time. Can they increase their standards of living without committing ecocide, or being overwhelmed by the sheer press of young people seeking work? It is staggering to think that India adds to its population EACH YEAR the equivalent of the total population of Australia, around 17 million people. Will they all get jobs in 2020?

Once again, it will be noted that in the richer countries the absolute numbers are virtually static whereas those in poorer lands are booming. This then becomes the great challenge facing the peoples of the Earth over the next generation: can they bring several BILLION new workers into production for

the global marketplace and steadily raise their standards of living without environmental disaster? Or are these numbers simply too big to absorb? Will the richer countries tolerate an ever-increasing flow of imports from countries with low labor costs, even if it hurts domestic workers in similar industries, or will they seek to protect themselves and hurt these developing nations' trade? If sufficient jobs cannot be created in the developing societies, will their hundreds of millions of ambitious young people be permitted to move elsewhere, to the ageing nations of Japan and Europe? Are these developing societies being compelled to modernize too fast, and in too many ways?

It is probable that a group of extraterrestrial observers of our planet would focus on many other things than those presented here, were they writing their own succinct report on global trends. Still, whoever steps back and attempts to survey our planet as a whole is probably likely to arrive at a few basic conclusions, the most obvious of which is that sweeping generalisations about the fate of the Earth really have to be avoided.

For the plain fact is that the planet in which we live is neither enjoying neither a new, wonderful "world order" for everyone nor sustaining an outright disaster for all. It has great problems, but also great potential and great resources. As it enters the twenty-first century, it is easy either to be too optimistic or too pessimistic, because we only look at one side of the story. It is perhaps particularly easy for Americans, enjoying their eighth year of boom and an unprecedented prosperity and stock market, to assume that all is going well in the world except for some crazy people in the Balkans and some other madmen who shoot up schools in the United States itself.

But the planet is a lot more complicated than that. That is why it would take any Martian observers such a lot of time to study it, and to try to understand the broader picture. And this is why we all need to take more time to study global trends, and to reflect on where we are going. The Chinese curse says it all: "May you live in interesting times." These certainly are interesting years, and they are likely to become even more interesting times to live in when our children grow up. Knowing about these matters therefore becomes a prime prerequisite for all of us, and for membership of the world citizenry. One hundred years ago that great seer H. G. Wells said that human civilization was engaged in a race between education and its own destruction.

Why Contemporary Capitalism needs Oppressive Exploitation

Capitalism is a system based on exploitation. For Marxists, this has a precise scientific meaning. Capitalists take for themselves the monetary values created by or belonging to other people — usually workers, but also small farmers and, to varying degrees, small shop owners and nominally independent trades people.

This value is what their capital consists of. But exploitation does not exhaust the harmful effects that capitalism has on the rest of the world. Capitalist society also invents many forms of oppression, as well as perpetuating many inherited from earlier forms of social organization. Oppression is the systematic imposition of inferior conditions of life on particular groups of people. Members of an oppressed group may be discriminated against economically, socially and/or politically.

Sometimes oppression has an economic impact; in some way, it increases the capitalists' ability to exploit. An obvious example is discrimination against women or against a national or racial minority. The victims of such discrimination often receive lower wages than other workers, so this oppression adds directly to capitalists' profits. Capitalists gain a slightly more indirect economic benefit from militarism and war. Two world wars in the 20th century occurred primarily because the capitalists of the major imperialist countries were competing for colonies and semi-colonies, to monopolize the profits from them. Today capitalists are risking making the planet uninhabitable for much of the human race because behaving differently might reduce their profits.

Political motives

Capitalism also maintains oppressions in which profits are at most a very secondary consideration. The economic benefits that capitalists seek from war and militarism are less significant than their political role. The military forces maintained by imperialist countries like Australia are an ever present threat to the peoples of the underdeveloped countries: "Step too far out of line, don't do as you're told, and you'll have a fight on your hands (in which we hold all the weapons)." These forces are also the ultimate guarantee of capitalists' power in their own country: that is, they are intended for use against their own working people if they get too far "out of line."

Capitalists have to maintain a variety of oppressions because they are a very small minority in any society. If the exploited majority were to act together to put an end to exploitation, they could very easily overcome the capitalists. For this reason, the capitalists have a very strong vested interest in preventing the exploited majority from getting used to the idea of working together—on almost anything. Oppression has a political function for capitalism if it sets one section of the exploited against another section. Male union members who think that a woman's "real" place is at home won't build a strong union. Parents who are concerned about their children going to school with immigrant children won't be raising demands on the government to provide better education for everyone. People who think that a neighboring country's religion is dangerous to them won't resist their own government's militarism.

Theoretical Exploration

Accounts of neoliberal state intervention tend to see the political sphere as a separate moment of the capital relation. But, in reality, neoliberalism is an ever-changing political expression of class rule which mirrors the struggles occurring within the wider reorganization of the social relations of capitalist production. Set against the backdrop of the general crisis of capitalism, neoliberalism is made up of highly contradictory political and ideological projects aimed at ensuring the continued expansion of capital accumulation, especially in light of the tensions involved in the broader dialectic between national and transnational restructuring, that is, the tensions between deeper economic integration and increased levels of competition (exploitation). Moreover, these new political forms of class domination are not determined by a particular instance, such as the market or the global economy; but shape, *and* are in turn shaped by, class struggles associated with economic restructuring. Consider these examples of alleged exploitation.

1. So-called “sweatshop” labor characteristically involves long hours, dangerous conditions, and very low wages. Many critics charge that such workers are exploited by the multinational enterprises that profit unfairly from the goods those workers produce. (Meyers, 2004)

2. Proposals to establish markets in human organs (such as kidneys) are sometimes met with the charge that such markets would lead to the exploitation of the poor who might face undue pressure to sell their body parts to wealthy buyers. (Hughes, 1998).

3. Some scholars have argued that justice requires the establishment of a universal basic income to be paid to all persons regardless of their willingness to work (Van Parijs, 1995). However, one influential criticism of such proposals is that their implementation would involve the exploitation of tax-paying workers by those who receive the income and are able but unwilling to work. (White, 1997).

4. Some feminists have charged that the *institution* of traditional marriage and the *relationships* to which it gives rise are exploitative insofar as they prey upon and reinforce pernicious forms of inequality between men and women. (Sample, 2003, ch. 4).

5. Clinical research on vulnerable populations is sometimes thought to be exploitative, especially when it involves practices such as conducting placebo trials on sick subjects when a known effective treatment is available, or developing medicines to be used primarily in wealthy countries by clinical trials in poor countries. (Bayer, 1998; Annas and Grodin, 1998)

Although we frequently claim that some act, practice, or transaction is exploitative, the concept of exploitation is typically invoked without much

analysis or argument, as if its meaning and moral force were self-evident. They are not. Even if some or even all of these sorts of claims are true, we still need to ask why are they true? And if they are true, what follows? More precisely, we can ask two questions: (1) what are the truth conditions of an exploitation claim? (2) what is the moral force of an exploitation claim? Let me explain.

For present purposes, an *exploitation claim* refers to statements that *A*'s interaction with *B* is (or is not) wrongfully exploitative or to statements that presuppose such a claim. To say that colleges exploit student athletes is to make an exploitation claim. Susan Okin makes an exploitation claim when she says that our family system constitutes "the pivot of a societal system of gender that renders women vulnerable to dependency, exploitation, and abuse," for we must know what exploitation involves to determine whether this claim is true (Okin 1989, 135–36).

The first task of a theory of exploitation is to provide the truth conditions for an exploitation claim. At least one such condition is a moral criterion: a transaction is exploitative only if it is *unfair*. Interestingly, however, the (moral) "fact" of exploitation settles less than meets the eye. We must also consider the *moral force* of exploitation. In particular, we can ask whether the state should prohibit exploitative transactions or refuse to enforce exploitative agreements. The wrongness of exploitation does not dictate the way in which these moral questions should be answered.

This entry focuses on exploitative transactions or relations rather than "systemic" or macro level exploitation. It also has little to say about the Marxist view of exploitation. There are two major reasons for taking a different tack. First, the moral core of the Marxist view of exploitation is not unique to Marxism. When Marxism claims that the capitalist class exploits the proletariat, it employs the ordinary notion that one party exploits another when it gets unfair and undeserved benefits from its transactions or relationships. On that, the entry will have something to say. Second, what is unique to Marxism—its approach to *measuring* exploitation through calculations of surplus value—is very problematic.

This entry does the following. It first surveys the definitional landscape that has been marked out and highlights the conceptual quarrels which have arisen in the literature. It then sketches a very rough and preliminary account of the elements of exploitation. Finally, it makes some brief remarks about the moral force of exploitation.

Accounts of Exploitation

At the most general level, *A* exploits *B* when *A* takes unfair advantage of *B*. (I shall always refer to the alleged exploiter as *A* and to the alleged exploitee as

B). One problem with such a broad account, as Arneson notes, is that there will “be as many competing conceptions of exploitation as theories of what persons owe to each other by way of fair treatment.” (Arneson 1992, 350). We can gain a somewhat sharper view of the issues that we must confront if we consider a sampling of the accounts that appear in the literature.

1. “[T]o exploit a person involves the *harmful, merely instrumental utilization* of him or his capacities, for one’s own advantage or for the sake of one’s own ends” (Buchanan 1985, 87).

2. “It is the fact that the [capitalist’s] income is derived through *forced, unpaid, surplus* [wage] labor, *the product of which the workers do not control*, which makes [wage labor] exploitive.” (Holmstrom 1997, 357)

3. “Exploitation necessarily involves benefits or gains of some kind to someone ... Exploitation resembles a zero-sum game, viz. what the exploiter gains, the exploitee loses; or, minimally, for the exploiter to gain, the exploitee must lose.” (Tormey 1974, 207–08)

4. “Exploitation [in exchange] demands...that there is no reasonably eligible alternative [for the exploitee] and that the consideration or advantage received is incommensurate with the price paid. One is not exploited if one is offered what one desperately needs at a fair and reasonable price.” (Benn 1988, 138)

5. “Exploitation of persons consists in ... wrongful behavior [that violates] the moral norm of *protecting the vulnerable*.” (Goodin 1988a, 147)

6. “There are four conditions, all of which must be present if dependencies are to be exploitable. First, the relationship must be *asymmetrical* ... Second, ... the subordinate party must *need* the resource that the superordinate supplies ... Third, ... the subordinate party must depend upon some *particular* superordinate for the supply of needed resources ... Fourth, the superordinate ... enjoys discretionary control over the resources that the subordinate needs from him....” (Goodin 1988b, 37)

7. “Common to all exploitation of one person (*B*) by another (*A*)...is that *A* makes a profit or gain by turning some characteristic of *B* to his own advantage...exploitation ... can occur in morally unsavory forms without harming the exploitee’s interests and ... despite the exploitee’s fully voluntary consent to the exploitative behavior....” (Feinberg 1988, 176–79)

8. “Persons are exploited if (1) others secure a benefit by (2) using them as a tool or resource so as (3) to cause them serious harm.” (Munzer 1990, 171)

9. “A society is exploitative when its social structure is organized so that unpaid labor is systematically forced out of one class and put at the disposal of another ... On the force-inclusive definition of exploitation, any exploitative society is a form of slavery.” (Reiman 1987, 3–4)

10. “[A] group is exploited if it has some conditionally feasible alternative under which its members would be better off.” (Roemer 1986, 136)

11. “[E]xploitation is seen as the failure to pay labour its marginal product...” (Brewer 1987, 86)

12. “An exploitative exchange is... an exchange in which the exploited party gets less than the exploiting party, who does better at the exploited party’s expense... [T]he exchange must result from social relations of unequal power ... exploitation can be entered into voluntarily; and can even, in some sense, be advantageous to the exploited party.” (Levine 1988, 66–67)

13. “[Capitalist] social relations ... are exploitative, not only in the specific sense of extracting surplus labour, but in the more general sense of using someone as a means, utilizing her to detriment as a way of promoting one’s own good...” (Kymlicka 1989, 114)

14. “Workers are exploited if they work longer hours than the number of labor hours employed in the goods they consume” (Elster 1986, 121)

15. “[E]xploitation forms part of an exchange of goods and services when 1) the goods and services exchanged are quite obviously not of equivalent value, and 2) one party to the exchange uses a substantial degree of coercion” (Moore 1973, 53)

16. “[E]xploitation is a psychological, rather than a social or an economic, concept. For an offer to be exploitative, it must serve to create or to take advantage of some recognized psychological vulnerability which, in turn, disturbs the offeree’s ability to reason effectively.” (Hill 1994, 637)

All these accounts are compatible with the view that “A wrongfully exploits *B* when *A* takes unfair advantage of *B*.” But there are some important differences among them. Some accounts (10, 14) are technical definitions of exploitation that are specific to a Marxist approach. Although none of the accounts denies that exploitation requires a gain to the exploiter, only some (3, 8) specifically mention that criterion. Some accounts invoke the Kantian notion that one wrongfully exploits when one treats another instrumentally or merely as a means (1, 8, 13).

On some accounts, the exploited party must be harmed (1, 2, 3, 8, 9, 12), whereas other accounts allow that the exploited party may gain from the relationship (4, 7, 11, 12, 15). On some accounts, the exploited party must be coerced (2, 4, 6, 9, 15), whereas others require at least a defect in the quality of the consent (12, 16), and another maintains that exploitation can be fully voluntary (7). We should not put rigid constraints on what counts as exploitation, at least at the outset. While some exploitative transactions are harmful to the exploitee, we often call exploitative cases in which the exploitee seems to gain from the transaction.

Indeed, it is arguable that exploitation would be of much less theoretical interest on a “no harm, no exploitation” rule. It is trivially true that it is wrong for *A* to gain from an action that unjustifiably harms or coerces *B*. And even a

libertarian will grant that some harmful exploitation may be legitimately prohibited by the state, if only because it is harmful (or rights violating) rather than because it is exploitative. By contrast, it is more difficult to explain when and why it might be wrong for A to gain from an action that benefits B and to which B voluntarily consents. And it is certainly more difficult to explain why society might be justified in prohibiting such transactions or refusing to enforce some such agreements.

For these reasons, it will be useful to make two sets of distinctions. First, we can distinguish between *harmful exploitation* and *mutually advantageous exploitation*. By mutually advantageous exploitation, we refer to those cases in which the *exploitee* gains from the transaction as well as the *exploiter*. The advantageousness of the transaction is mutual, not the exploitation. To use somewhat different terminology, exploitation is mutually advantageous only when the transaction is Pareto Superior, that is, a transaction that leaves all parties better off. We can similarly distinguish between *nonconsensual exploitation*, where the exploited party does not give voluntary (or valid) consent, say because of coercion or fraud, and *consensual exploitation*, where it appears that the exploited party has given voluntary and appropriately informed consent to the transaction.

It might be argued that it begs the question to assume that exploitation *can* be mutually advantageous and consensual. The objection fails. If we were to assume, for the sake of argument, that the word exploitation is best limited to cases in which the *exploitee* is harmed, nothing would have changed. We would *still* have to ask whether there are important distinctions between those cases which are (*ex hypothesi*) wrongly referred to as mutually advantageous *exploitation* and those mutually advantageous transactions that are not described in that way. It would remain an open question as to whether some mutually advantageous arrangements are wrongful and why they are wrongful. If one wants to claim that a mutually advantageous and consensual transaction cannot be *unfair*, then that is not a dispute over language. That is a substantive claim, but there is no reason to think that position is correct.

The Elements of Exploitation

Let us start with the claim that A exploits B when A takes unfair advantage of B . Taking unfair advantage could be understood in two ways. First, it may refer to some dimension of the *outcome* of the exploitative act or transaction, that is, the transaction is substantively unfair. And this, it seems has two elements: (1) the benefit to A and (2) the effect on B . We may say that the benefit to A is unfair because it is wrong for A to benefit at all from his act (e.g. by harming B) or because A 's benefit is excessive relative to the benefit to B . Second, to say

that A takes unfair advantage of B may imply that there is some sort of defect in the *process* by which the unfair outcome has come about, for example, that A has coerced B or defrauded B or has manipulated B . In the final analysis we may find that these three elements are not all necessary to account for exploitation, but they provide us with a way to begin.

Benefit to A

A cannot take *unfair* advantage of B unless A gets some *advantage* from B . We can see the relevance of the “benefit to A ” by contrasting exploitation with other forms of wrongdoing, such as discrimination, abuse, and oppression. Let us say that A discriminates against B when A wrongly deprives B of some opportunity or benefit because of some characteristic of B that is not relevant to A ’s action. There was a period in American history in which many women became public school teachers because they were denied the opportunity to enter other professions such as law and medicine. To the extent that society benefitted (in one way) from the pool of highly qualified public school teachers, the discrimination may have been exploitative, even if unintentionally so. But if A refuses to hire B solely because of B ’s race, then it would be odd to say that A exploits B , for A does not gain from the wrong to B .

Consider abuse. It has been alleged that medical students are frequently abused by verbal insults and denigration and that this abuse may leave long-lasting emotional scars. It is also sometimes claimed that medical interns are exploited, that they work long hours for low pay. The contrast is just right. There is no reason to think that anyone gains (in any normal sense) from abuse, but it is at least plausible to think that the hospitals or patients gain from the exploitation of interns.

Let us say that A oppresses B when A deprives B of freedoms or opportunities to which B is entitled. If A gains from the oppressive relationship, as when A enslaves B , then A may both oppress and exploit B . But if A does not gain from the oppression, the oppression is wrong but not exploitative. We might say that the unemployed are oppressed, but unless we could specify the ways in which some gain from their lack of employment, the unemployed are not exploited. Marxists would claim that capitalists pay exploitative wages to the employed precisely because there is a “reserve army” of the unemployed with whom the employed must compete. But that merely confirms that they are exploited because the oppression generates a gain to the capitalist class, and it is the employed who are exploited and not the unemployed that make such exploitation possible.

The Effect on *B*

As our definitional survey indicated, some commentators maintain that exploitation resembles a zero-sum game, that the exploiter gains what the exploitee loses. (Tormey, 207) Others maintain that exploitation is always harmful to the exploitee, even if the gains and losses do not cancel out. It is relatively uncontroversial that exploitation *can* be harmful to *B*, as in slavery. Other cases are more controversial. There are cases in which *B* is not directly affected by *A*'s utilization of *B*, what Feinberg refers to as *harmless parasitism*, as when *A* follows *B*'s taillights in a dense fog. *A* uses *B* to his own advantage, but does not render *B* worse off (assume that *B* is not bothered by *A*'s headlights in *B*'s mirror). (Feinberg, 14) In other cases of non-harmful exploitation, the transaction appears to benefit both *A* and *B*, as may be true of organ sales or commercial surrogacy.

Now in asking how *A*'s action affects *B*'s interests, we must be careful to adopt an *all things considered* point of view. There are, after all, negative *elements* in virtually all uncontroversially beneficial transactions. Paying money for a good that is clearly worth the price is still a negative element in the transaction. It would be better to get it for free. If *A* and *B* enter into a cooperative agreement where *A* gives *B* \$100 for a book that is worth a lot to *A* (because it completes a collection) but is worth little to *B*, we do not say that *B* has been harmed by the transaction just because *B* has lost her book any more than we say that *A* has been harmed because the transaction required *A* to pay \$100. Similarly, we do not say that a worker is harmed by employment merely because the worker prefers leisure to work. If the benefits to *B* from employment are greater than the costs to *B*, then employment is beneficial to *B*, all things considered. So in deciding whether a case of alleged exploitation should be classified as harmful exploitation or mutually advantageous exploitation, we must look at its net effect on *B*. If the benefits of a transaction exceed its costs, then it is not harmful even if it is exploitative, as might be true of organ sales and working as a stripper.

Joel Feinberg argues that if a transaction is mutually advantageous, then *A* does not gain at *B*'s expense. (Feinberg 1988, 178). Not quite. There is an important sense in which any *marginal* gain to one party *within* a "zone of agreement" is always at the other party's expense. For while the parties may prefer any outcome within the zone of agreement to the non-agreement solution, they are not indifferent to the terms of the agreement. Mutually advantageous exploitation occurs when *A* and *B* gain relative to the non-cooperation baseline, but where the distribution of the benefits between *A* and *B* is unfair to *B*.

Consider a garden variety case of alleged exploitation. An unexpected blizzard hits an area and people rush to the hardware store to buy a shovel. The hardware store owner sees the opportunity to make an abnormal profit and

raises the price of a shovel from \$15 to \$30. If *B* agrees to pay \$30 for the shovel, because the shovel is worth more than \$30 to *B* under the circumstances, then the transaction is advantageous to both parties. If *B* is exploited, it is because *B* has paid too much. *A* similar structure applies to some of the other cases of alleged exploitation with which we began—AZT for AIDS, surrogacy, organ sales. We need not deny that *B* benefits from these transactions, all things considered. Rather, *A* may exploit *B* if *B* pays too a high price for what she gains or does not receive enough for what she gives.

A mutually advantageous transaction is arguably (wrongly) exploitative only if the outcome is (in some way) unfair to *B*. This is not merely definitional. After all, it may be thought that a transaction is exploitative whenever takes advantage of *B*'s vulnerabilities or desperate situation to strike a deal. That is false. For if *A* makes a *reasonable* proposal that *B* has no alternative but to accept given *B*'s desperate situation, *A* does not exploit *B*. If a doctor proposes to perform life-saving surgery for a reasonable fee, the patient is hardly exploited, even though the patient would not have agreed but for the fact that her life was in danger.

It might be said that “mutually advantageous” exploitation can and should be understood as a form of harmful exploitation. If we evaluate a transaction by reference to a *fairness baseline* as contrasted with a *no-transaction baseline*, then *B* is harmed when she pays \$30 for a shovel by comparison with the fairness baseline (say, where *B* pays \$15 for a shovel) even if *B* gains by comparison with the no-transaction baseline. Such relabeling would not change anything, for we would still have to distinguish between those cases in which *B* is harmed relative to both the fairness baseline and the no-transaction baseline and those cases where *B* is harmed only by reference to the fairness baseline but not by reference to the no-transaction baseline.

It may also be objected that the proposed distinction between harmful exploitation and mutually advantageous exploitation ignores a deeper—Kantian—way in which “mutually advantageous” exploitation is harmful to *B*, namely that *A* treats *B* merely as a means to be utilized to his own advantage rather than as an end in herself—if so treating a person is to harm her. Allen Buchanan argues that exploitation occurs “ whenever persons are harmfully utilized as mere instruments for private gain,” and adds that this could apply to business transactions between two affluent bankers—“ Each harmfully utilizes the other as a mere means to his own advantage” (Buchanan, 1984, 44).

It is not clear what to make of this view. First, on one plausible reading of the Kantian maxim, one treats another as a mere means only when one treats “him in a way to which he could not possibly consent,” as in cases of coercion and fraud, where *A* seeks to undermine *B*'s capacity as an autonomous decision-maker. (Korsgaard 1993, 40). There is no reason to think that each banker could not possibly consent to be so treated by the other banker. Second, to say that *A*

exploits *B* when *A* “harmfully utilizes” *B* as a “mere means” is equivocal as to whether “harmfully” is a reinforcing or modifying adverb. On one view, “harmfully” is merely reinforcing because the utilization of *B* merely as a means *constitutes* an independent harm to *B*. On another view, “harmfully” is a modifying adverb, because we can contrast the cases in which *A* harmfully utilizes *B* as a mere means with cases in which *A* non-harmfully utilizes *B* as a mere means. If we accept the first interpretation, we would still want to distinguish between those cases in which *B* is harmed apart from being treated merely as a means from those in which *B* is not harmed apart from the harm that derives from being treated merely as a means. On the second view, the bankers may utilize each other as means, but absent an independent form of harm, there is no reason to think that they are harmed by their utilization as a means itself. So that Kantian view does nothing to deny the distinction between harmful exploitation and mutually advantageous exploitation.

And so it seems better simply to grant that some allegedly exploitative transactions are mutually advantageous and go on to ask what makes a mutually advantageous transaction unfair. This is not easy because there is no non-problematic account of fair transactions. (Wertheimer 1996). Here are several possibilities.

We might say that a transaction is unfair when the goods exchanged are “incommensurable,” as might be thought of the exchange of an organ for money. There are two problems here. First, it is not clear whether goods are ultimately incommensurable (Chang 1997). Second, if goods are incommensurable, it is not why an exchange of those goods is unfair.

Assuming that we can compare the gains of the parties, it is frequently suggested that a transaction is exploitative when *A* gains much more than *B*. But if we measure the parties’ gains in terms of marginal utility from the no transaction baseline, the exploitee often gains more than the exploiter. If a doctor overcharges for life-saving surgery, exploiting the patient’s situation, the doctor gains less than the patient. If a store owner charges \$30 for a shovel, the buyer may well get more utility from the shovel than the seller gets for the money. Indeed, the exploiter’s power over the exploitee stems precisely from the fact that he does not stand to gain too much. He can easily walk away from the transaction, whereas the exploitee cannot.

This suggests that we cannot evaluate the fairness of a transaction solely by comparing the gains of the parties. Rather, we must measure the fairness of their gains against a normative baseline as to how much the parties ought to gain, and that baseline is not easy to specify. A promising but not unproblematic candidate is to measure the parties’ gains against what they would have gained in a “hypothetical competitive market”, where there was relatively complete information. On this view, there is no independent standard of a “just price”

for goods such as a shovel or a kidney, nor need we accept whatever the actual market yields, given the market's sundry imperfections. Rather, we evaluate the parties' gains by what they would have received under relatively perfect market conditions, just as we may try to determine the "fair market value" or a home by what the home would sell for under relatively perfect market conditions in that locale.

It might be thought that exploitation (at least when it is morally objectionable) is confined to cases in which the exploitee is less well-off than the exploiter. Although most cases of exploitation will probably fit this pattern, exploitation is not confined to such cases. We might think, for example, that a store owner who charges an exorbitant price for the snow shovel is exploiting the customer, even if the customer is much wealthier than the store owner. On the present view, exploitation is transaction specific.

Although I am not sure that any available account of fair transactions provides the solution we need, some transactions are intuitively quite unfair even though they are advantageous to both parties. So let us assume that, in principle, some account of unfair transactions can be given. The question now arises as to whether an unfair transaction is always exploitative or whether A exploits B only if there is some defect in the process that culminates in B 's decision.

Process

As we have seen, it seems plausible to argue that A does not exploit B simply because there is unfairness in the distribution of rewards. If B voluntarily agrees to what might otherwise be a maldistribution of advantages, as when B voluntarily decides to make a gift of goods or labor to A , then it seems wrong to say that A has exploited B . It would, for example, be odd (although perhaps not impossible) to claim that a hospital exploits its volunteer workers just because the workers are volunteers rather than paid employees. So it seems that a relationship or transaction is exploitative only if there is some defect in the process by which it came about.

Interestingly, both Marxists and libertarians accept the view that voluntary transactions cannot be exploitative. Marxists tend to adopt a "force inclusive definition" of exploitation. Marxists do not say that capitalists exploit their workers *in spite* of the fact that the workers voluntarily agree to their employment status. They argue that workers are exploited only because they do not voluntarily agree to their employment status.

Marxists concede that the proletariat is not enslaved, because they are not tied to any particular employer, but they transfer their labor to the capitalist under the "dull compulsion of economic relations" (Elster 1983, 277–78).

Libertarians can be understood as accepting this “force inclusive” definition of exploitation, but come to the opposite conclusion. They maintain that since market transactions are not coerced, the workers are therefore not exploited. We do not need to accept these alternatives. Leaving aside just how to distinguish between nonconsensual and consensual exploitation, *A* can arguably exploit *B* even if *B* is not coerced (or defrauded), even if there is nothing untoward about *B*’s decision within her objective situation.

Let us press this issue a bit further. There are some instances of alleged exploitation in which the issue of consent does not seem to arise. There are cases in which the exploitee may be entirely passive. *A* may sell photographs of *B* without *B*’s knowledge, or rob a purse from a sleeping *B* or follow *B*’s taillights in a dense fog. In these cases, *B*’s will is not involved. Call this nonvolitional exploitation. If nonvolitional exploitation operates *without* the engagement of *B*’s will, then nonconsensual exploitation operates *against* *B*’s will, as when *A* coerces *B* or deceives *B*. The question now arises as to when there is such a procedural defect.

In general, *A* coerces *B* to do *X* only if *A* proposes (threatens) to make *B* worse off with reference to some baseline condition if *B* chooses not to do *X*, although specifying the appropriate baseline against which to measure the proposal can be a complicated matter. (Wertheimer, 1987) If *A* gets *B* to pay *A* \$100 per week by threatening to bomb *B*’s store if he does not pay up, then *A* coerces *B* into paying \$100 a week. By contrast, if *A* gets *B* to pay *A* \$100 per week by proposing to clean *B*’s store each night, then *A* has made a non-coercive (or inductive) offer to *B*. *A* does not propose to worsen *B*’s situation if *B* rejects *A*’s proposal. On this view, *A* does not coerce *B* in the cases involving organ sales or commercial surrogacy, because *A* does not propose to worsen *B*’s situation if *B* rejects *A*’s proposal.

Fraud also undermines the validity of *B*’s consent. Suppose that *A* offers to sell *B* a car for \$10,000. *A* tells *B* that the car has been driven only 50,000 miles, but has set back the odometer from 90,000 to 50,000. *B* has not given valid consent, because valid consent must be informed (or not misinformed) as well as uncoerced.

By contrast with cases of coercion and fraud, there are at least some cases of alleged exploitation in which *B*’s consent is not defective in either of these ways. In many cases of alleged exploitation, *A* gets *B* to agree to a mutually advantageous transaction to which *B* would not have agreed under better or perhaps more just background conditions, where *A* has played no direct causal role in creating those circumstances, where *A* has no special obligation to repair those conditions, and where *B* is fully informed as to the consequences of various choices. Although *B* might prefer to have a different range of options available to him, she can make a perfectly rational choice among the various

options. Such conditions may (or may not) obtain in cases such as commercial surrogacy, organ sales, and, say, our snow shovel case.

It might be objected that perfectly rational and (otherwise) uncoerced choices are not appropriately consensual if made under conditions of desperation or from an inequality of bargaining power, or under unjust background conditions. But even if we refer to such transactions as nonconsensual, we would still have to contrast the cases that are nonconsensual because of coercion or fraud and those that are allegedly nonconsensual in other ways. And we will still have to ask what the moral force of such exploitation amounts to: Should we prohibit A from making such proposals? Should we refuse to enforce agreements made under such conditions? And that brings us to the moral force of exploitation.

The Moral Force of Exploitation

I have suggested that exploitation provides a moral description of a transaction, but that its moral force is less clear. The moral force of harmful and nonconsensual exploitation is relatively unproblematic. Whatever the added moral importance of the gain to A from the harm to B , it is certainly at least *prima facie* wrong for A to harm B and it seems that the state is at least *prima facie* justified in prohibiting or refusing to enforce such transactions.

Mutually advantageous transactions present a more difficult set of problems. Even if a transaction between A and B is unfair, it might be thought that there can be nothing *seriously* wrong about an agreement from which both parties benefit, particularly if A has no obligation to enter into any transaction with B . At the very least, it seems difficult to show how a mutually advantageous (but unfair) interaction can be morally *worse* than no-interaction at all since, *ex hypothesi*, there is no party to the transaction for whom it is worse. In the recent literature on exploitation, this thought has been formulated more precisely as the “non-worseness claim”:

NWC: Interaction between A and B cannot be worse than non-interaction when A has a right not to interact with B at all, and when the interaction is mutually advantageous, consensual, and free from negative externalities (Wertheimer, 1996, 2011; Zwolinski, 2009; Powell and Zwolinski, 2012).

If NWC is correct, it might be a mistake to blame individuals who engage in “price gouging” by selling electrical generators to victims of natural disasters at inflated prices. (Zwolinski, 2008). After all, we would not blame those individuals if they stayed home and did nothing. But, so long as people are willing to pay the high prices (and no coercion or fraud is involved), both parties are better off with the transaction than without it. So how could it be morally

worse to provide those customers with *some* benefit than it is to provide them with *no benefit at all*?

Even if true, however, the NWC need not lead to a deflationary account of the wrongness of exploitation. It could, instead, lead to an *inflationary* account of the wrongness of non-interaction. In other words, we can account for the NWC's claim that mutually beneficial exploitation is not worse than non-interaction *either* by saying that mutually beneficial exploitation is less wrong than we thought it was, *or* by saying that non-interaction is worse than we thought it was: by saying that price gougers are less blameworthy than we thought, or by saying that those who stay home and do nothing to help victims of disaster are *more* blameworthy than we thought.

Even if mutually beneficial exploitation is a serious moral wrong, however, it might not be a kind of wrong that can justify state intervention. Recall the snow shovel case. Even if *A* acts wrongly or fails to act virtuously, it is arguable that *A* does not harm anyone or violate anyone's rights, and only harm or rights violations justify state intervention. If the state cannot force *A* to sell the shovel to *B*, it might be thought completely *irrational* for the state to prohibit *A* and *B* from entering into a consensual and mutually advantageous transaction.

Perhaps this view is correct. Bracketing arguments based on externalities, it seems perfectly plausible to maintain that the state is justified in interfering with transactions only if one party is violating the other's rights. That said, those who invoke the concept of exploitation frequently maintain that such exploitation provides a reason for state intervention. For example, when it is claimed that commercial surrogacy exploits the birth mothers, the critics typically argue that surrogacy contracts should be unenforceable or entirely prohibited. Similar things are said about the sale of bodily organs. Those who make such arguments do frequently claim that the transactions are nonconsensual or harmful, but they seem prepared to make such arguments even if the transactions are consensual and mutually advantageous.

On what grounds might we justify interfering with consensual and mutually advantageous exploitative transactions? It might be thought that we could interfere on paternalistic grounds. A paternalistic argument could not justify interfering with exploitative transactions if the exploitative transaction is advantageous to the exploitee and if interference is not likely to result in a transaction that is more beneficial to *B*. For paternalism justifies interfering for someone's good, and this interference would not be to the target's benefit. But there might be situations in which *B* knows enough to agree only to those exploitative transactions that are beneficial (as compared with no transaction), but does not know that less exploitative transactions are available. And so there may be a "soft paternalist" justification for interference with some mutually advantageous exploitative transactions.

We might also justify interfering with exploitative transactions on strategic grounds. Suppose that *A* enjoys a monopoly position, say, as a potential rescuer of *B*. If we prohibit *A* from charging an exorbitant price for his services, then *A* might offer his services for a reasonable price. This argument would not justify interfering in a highly competitive market, for, under such conditions, *A* would not and could not offer his services for a better price. But there may be numerous situations in which such strategic arguments can work (Wertheimer 1996).

Can we justify interfering with mutually advantageous and consensual transactions on perfectionist or moralistic grounds? That is more difficult. Joel Feinberg has maintained that because mutually advantageous exploitation is not harmful, such exploitation would constitute a “free-floating evil,” a wrong that is bad for no one. “In these cases there is no wrongful loss for the exploitee, who can himself have no grievance” (Feinberg 1988, 176). There are two questions here: is mutually advantageous exploitation a free-floating evil? And free-floating or not, can we justify interfering with immoral transactions on the ground that they are immoral?

Is mutually advantageous exploitation a free-floating evil? I think not. Suppose that *B* and *C* both need blood transfusions, and that the only available blood is compatible with *B*’s blood type, but not with *C*’s blood type. There are only two possible worlds: (1) No Transfusion, where neither *B* nor *C* gets a transfusion; (2) Transfusion, where *B* gets the transfusion and *C* does not. In this case, to say that it would be wrong—in any way—to give the transfusion to *B* would seem to involve a “free-floating evil.” Giving the transfusion to *B* is good for *B* and bad for no one, including *C*, for there is no feasible alternative world in which *C* could have gained.

But the world of mutually advantageous exploitation is not like this. Recall the “snow shovel” example. Here there are, let us say, three feasible alternative worlds: (1) Transaction 1, where *A* sells *B* a shovel for an exorbitant \$30; (2) Transaction 2, where *A* sells *B* a shovel for the normal price of \$15; (3) no transaction. Is Transaction 1 better for *A* and worse for no one? Yes and No. Yes, when compared to the No Transaction baseline. No, when compared with Transaction 2. By comparison with Transaction 2, the “wrong” in Transaction 1 is not free floating. *B* is not harmed in Transaction 1, but *B*’s interests are clearly negatively affected by *A*’s choice to engage in Transaction 1 as contrasted with Transaction 2. To say that the wrong involved in mutually advantageous exploitation is not free floating does not establish its moral force. There might be good reason for the state to stay its hand. But even if there are good reasons not to interfere with most cases of mutually advantageous exploitation, it does not follow that exploitation is morally trivial. The disposition not to take unfair advantage of one’s fellows may be among the more important moral virtues and

a necessary condition of civilized life, even if there are also good reasons for not penalizing the failure to display that virtue.

Even if exploitation is seriously wrong, it may not be the worst form of injustice or inequality. Suppose that social justice requires a relatively egalitarian distribution of resources. If an inequality between *A* and *B* is exploitative only if there is some causal relationship between *A*'s and *B*'s positions, then many injustices will have nothing to do with exploitation. Although it may be unjust that *A* has much more than *B*, *A*'s having more may have nothing to do with *B*'s having little. Consider the exploitation of labor. Some people are more productive than others, albeit often because of morally irrelevant factors, such as social background or native talents.

If we exploit people when we fail to reward them in proportion to their productive contribution, then the low contributors may not be exploited (Nagel 1991, 99–100). Indeed, if the high contributors are taxed to provide for the needs of the low contributors, they might maintain that it is they who are being exploited. Consider the unemployed. If the unemployed are not exploited because they “do not produce any surplus value for the capitalist to appropriate,” we may well conclude that being excluded from the labor system is much worse than being exploited in the system (Kymlicka, 176). Still, even if exploitative inequality is not always morally worse than non-exploitative inequality, it is an interesting and important question as to whether and in what ways the inequalities and suffering that arise from exploitation have a special call on our moral attention.

Exploitation in the Era of Neoliberal Imperialism

The globalization of production and its shift to low-wage countries is the most significant and dynamic transformation of the neoliberal era. Its fundamental driving force is what some economists call “global labor arbitrage”: the efforts by firms in Europe, North America, and Japan to cut costs and boost profits by replacing higher-waged domestic labor with cheaper foreign labor, achieved either through emigration of production (“outsourcing,” as used here) or through immigration of workers. Reduction in tariffs and removal of barriers to capital flows have spurred the migration of production to low-wage countries, but militarization of borders and rising xenophobia have had the opposite effect on the migration of workers from these countries—not stopping it altogether, but inhibiting its flow and reinforcing migrants’ vulnerable, second-class status. As a result, factories freely cross the U.S.-Mexican border and pass with ease through the walls of Fortress Europe, as do the commodities produced in them and the capitalists who own them, but the human beings who

work in them have no right of passage. This is a travesty of globalization—a world without borders to everything and everyone except for working people.

Global wage differentials, in large measure resulting from suppression of the free movement of labor, provide a distorted reflection of global differences in the rate of exploitation (simply, the difference between the value generated by workers and what they are paid). The southwards shift of production signifies that the profits of firms headquartered in Europe, North America, and Japan, the value of all manner of financial assets derived from these profits, and the living standards of the citizens of these nations have become highly dependent on the higher rates of exploitation of workers in so-called “emerging nations.” Neoliberal globalization must therefore be recognized as *a new, imperialist stage of capitalist development*, where “imperialism” is defined by its economic essence: the exploitation of southern living labor by northern capitalists. We shall present the results of empirical analysis of the global shift of production to low-wage nations, and identify its key feature: imperialist super-exploitation. For our convenience, “super-exploitation” denotes rates of exploitation that are higher than the global average. These, it is argued here, are prevalent in low-wage nations. In addition, we shall explain this in terms of Marx’s theory of value, first by visiting the debate in the 1960s and ‘70s between dependency theory and its “orthodox” Marxist critics, then by reflecting on V.I. Lenin’s theory of imperialism, and concluding with a critical re-reading of Marx’s *Capital*.

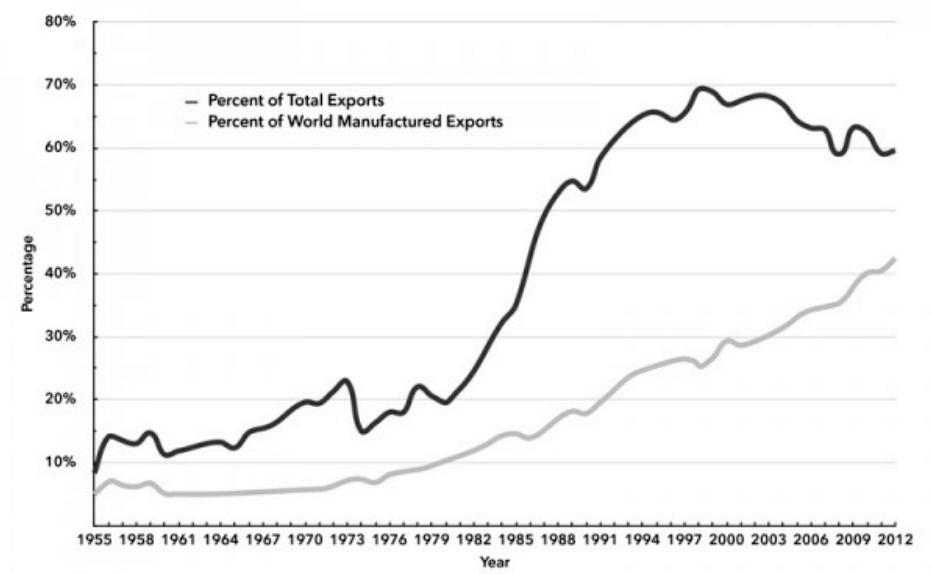
The Globalization of Production and of the Producers

The globalization of production is reflected in an enormous expansion of the power and reach of transnational corporations, with the great majority owned by capitalists resident in imperialist countries. UNCTAD (United Nations Conference on Trade and Development) estimates that “about 80 per cent of global trade...is linked to the international production networks of transnational corporations,” either as in-house Foreign Direct Investment (FDI), or as “arm’s-length” relations between “lead firms” and their formally independent suppliers (UNCTAD, 2013).

Export-oriented industrialization (or, from a northern perspective, “outsourcing”) is the only capitalist option for poor countries not endowed with abundant natural resources. Under its aegis, the “developing nations” share of global manufactured exports rose from around 5 percent in the pre-globalization period to close on 30 percent by the turn of the millennium (see Chart 1), while the share of manufactured goods in the South’s exports tripled in barely ten years, stabilizing in the early 1990s at more than 60 percent. Chart 2 shows this dramatic transformation from the perspective of imperialist countries. In 1970, barely 10 percent of their manufactured imports came from

what was then called the third world; by the turn of the millennium, this share—of a greatly expanded total—had quintupled (OECD, 1995).

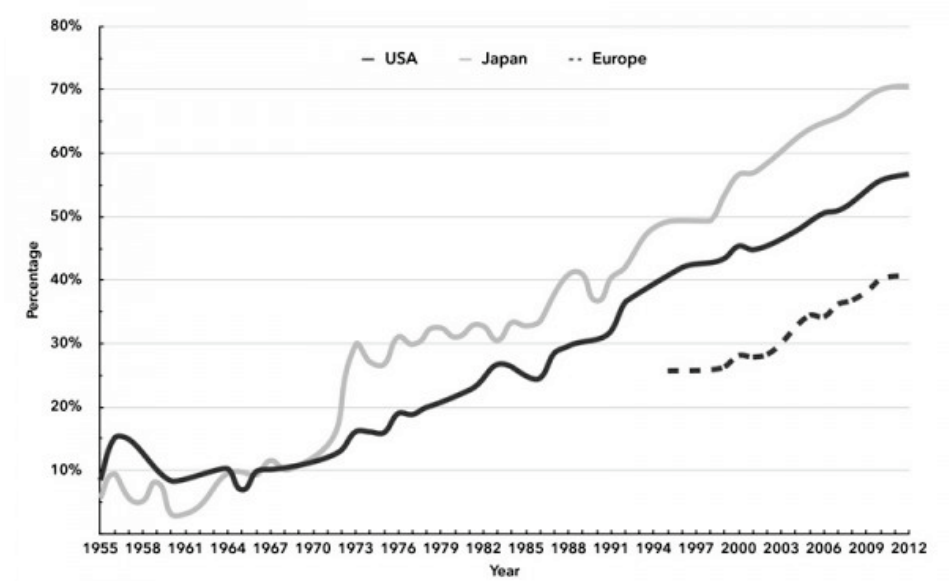
Chart 1. Share of Developing Nations in World Exports of Manufactured Goods



Sources: UNCTAD Statistical Handbook, <http://unctadstat.unctad.org>. The 1955—1995 data is from UNCTAD, “Handbook of Statistics—Archive: Network of Exports by Region and Commodity Group—Historical Series,” <http://unctadstat.unctad.org>; accessed July 18, 2009, no longer online (data is in possession of author).

The U.S. auto industry vividly illustrates this. In 1995 it imported four times as much automobile-related value-added from Canada as from Mexico, just 10 percent more in 2005, and, by 2009, Mexico was the source of 48 percent more value-added than Canada (.Assche et al., 2007). The relocation of production processes to low-wage countries has been at least as important to European and Japanese firms as to their North American rivals. A study of EU-Chinese trade concluded that “ the possibility of offshoring the more labor-intensive production and assembly activities to China provides an opportunity to our own companies to survive and grow in an increasingly competitive environment,” while “ Japanese electronics companies continue to flourish in American markets precisely because they have moved their assembly lines to China” (Hidalgo, et al., 2011).

Chart 2. Share of Developing Nations in Manufactured Goods Imports of Developed Nations



Sources: *UNCTAD Statistical Handbook*, <http://unctadstat.unctad.org>. The 1955—1995 data is from UNCTAD, “Handbook of Statistics—Archive: Network of Exports by Region and Commodity Group—Historical Series,” <http://unctadstat.unctad.org>; accessed July 18, 2009, no longer online (data is in possession of author).

The result is a highly peculiar structure of world trade, in which northern firms compete with other northern firms, their success hinging on their ability to cut costs by outsourcing production; and firms in low-wage countries fiercely compete with each other, all seeking to exercise the same “comparative advantage,” namely their surfeit of unemployed workers desperate for work. But *northern firms do not generally compete with southern firms* (Clemens et al., 2008). This simple, often-overlooked fact is obviously true of relations between parent companies and their wholly owned subsidiaries (that is, of FDI), but no less so of the increasingly favored “arm’s length” relationship: between Primark and its Bangladeshi suppliers, and between General Motors and the Mexican firms who manufacture more and more of its components, the relationship is complementary, not competitive, even if it is highly unequal. There are important exceptions, and indeed this peculiar structure is riven with contradictions, but the overall pattern is clear: there is North-North rivalry, and cutthroat South-South competition reaching race-to-the-bottom proportions, *but there is a general absence of head-to-head North-South competition*—that is, between firms. Meanwhile, workers face competition across the global wage divide, wage repression, and an accelerating decline in labor’s share of GDP in all countries.

The globalization of production has transformed not just the production of commodities but of social relations in general, and especially of the social relation that defines capitalism: *the capital-labor relation*, which is increasingly a relation between northern capital and southern labor. The enormous growth of the industrial workforce in “developing” nations is portrayed in Chart 3, which reveals that, in 2010, 79 percent, or 541 million, of the world’s industrial workers lived in “less-developed regions.” This is up from 34 percent in 1950 and 53 percent in 1980—compared to the 145 million industrial workers, or 21 percent of the total, who in 2010 lived in imperialist countries.

Sources: Data from 1995 to 2008 was obtained from LABORSTA, <http://laborsta.ilo.org>, and Key Indicators of the Labour Market (KILM), 5th and 6th editions, <http://ilo.org>. The former provided the numbers for the total economically active population, the latter the sectoral ratios allowing computation of the number of industrial workers; 2010 data was obtained by extrapolation. The 1950–1990 data is from ILO, “Population and Economically Active Population,” accessed in 2004, no longer online (data is in possession of author). The ILO categories “More” and “Less” developed regions roughly correspond to the contemporary categories “Developed” and “Developing” economies, respectively.

However, with the partial exception of China—a special case because of its “one-child” policy, extraordinarily rapid growth, and as-yet-incomplete transition from socialism to capitalism—no southern economy has grown fast enough to provide jobs to the millions of young people entering the labor market and the millions fleeing rural poverty.

By uprooting hundreds of millions of workers and farmers in southern nations from their ties to the land and their jobs in protected national industries, neoliberal capitalism has accelerated the expansion of a vast pool of super-exploitable labor. Suppression of labor mobility has interacted with this hugely increased supply to produce a dramatic widening of international wage differentials, which, according to World Bank researchers, “exceed any other form of border-induced price gap by an order of magnitude or more” (IMF, 2007). The steep wage gradient provides two different ways for northern capitalists to increase profits—through the emigration of production to low-wage countries, or the immigration of workers from those countries. The International Monetary Fund (IMF) made this connection quite precisely: “The global pool of labor can be accessed by advanced economies through imports and immigration,” significantly observing that, “Trade is the more important and faster-expanding channel, in large part because immigration remains very restricted in many countries (Roach, 2004).

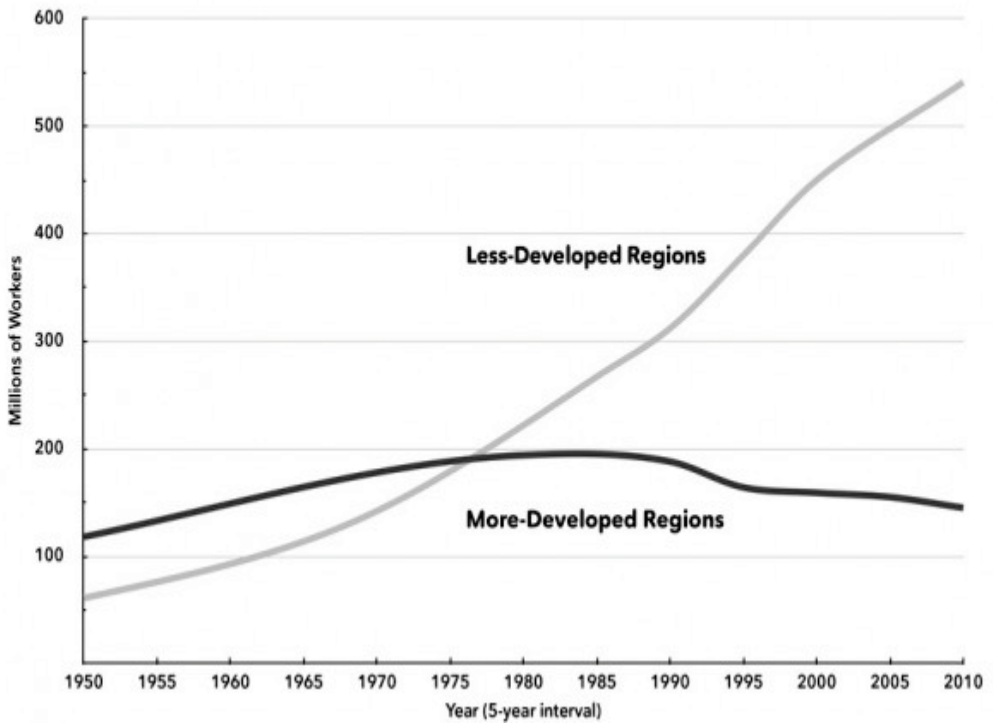


Chart 3. Global Industrial Workforce

“Global Labor Arbitrage” —Key Driver of the Globalization of Production

What the IMF calls “accessing the global labor pool” others have dubbed “global labor arbitrage,” whose essential feature, according to Stephen Roach, is the substitution of “high-wage workers here with like-quality, low-wage workers abroad” (Roach, 2003). Roach, then head of Morgan Stanley’s Asian operations, argued that “a unique and powerful confluence of three mega-trends is driving the global arbitrage.” These are “the maturation of offshore outsourcing platforms.... E-based connectivity... [and] cost control” (Ibid). Of these, “cost control” —that is, lower wages—is “the catalyst that brings the global labor arbitrage to life.” Expanding on this, Roach explains that,

In an era of excess supply, companies lack pricing leverage as never before. As such, businesses must be unrelenting in their search for new efficiencies. Not surprisingly, the primary focus of such efforts is labor, representing the bulk of production costs in the developed world.... Consequently, *offshore outsourcing that extracts product from relatively low-wage*

workers in the developing world has become an increasingly urgent survival tactic for companies in the developed economies (2003: 6)

This is a much richer description of neoliberal globalization's driving force than the one offered above by IMF technocrats. We might ask, though, why Roach says "extracting product" instead of "extracting value"—capitalists, after all, are not interested in the product of labor but in the value contained in it. The answer, we suspect, is that "extracting value" would make it even more explicit that these low-wage workers create more wealth than they receive in wages, in other words *that they are exploited*—a heretical notion for a mainstream economist. Roach's observation also begs the question—just how do "companies in developed economies" "extract product" from workers in Bangladesh, China, and elsewhere? The only visible contribution these workers make to the bottom line of firms in "developed economies" is the flow of repatriated profits from FDI, but not one penny of H&M's or General Motors' profits can be traced to their independent suppliers in Bangladesh or Mexico; all of it appears instead as value added by their own activities.

This conundrum, inexplicable to mainstream economic theory and therefore ignored, can only be resolved by redefining value-added as *value captured*; in other words, a firm's "value-added" does not represent the value *it* has produced, but the portion of total, economy-wide value it succeeds in capturing through exchange, including value extracted from living labor in far-flung countries. Not only is value capture not identical to value creation, as mainstream theory maintains, there is no correlation between them—banks, for example, generate no value but capture a great deal of it. Since a country's GDP is nothing else than the sum of its firms' value-added, GDP statistics systematically diminish the real contribution of southern nations to global wealth and exaggerate that of the "developed" countries, thereby veiling the increasingly parasitic, exploitative, and imperialist relationship between them. I call this *the GDP illusion* (Smith, 201286–102).

In sum, an analysis of the empirics of neoliberal globalization reveals global labor arbitrage, arising from the higher degree of exploitation prevalent in low-wage nations, to be its fundamental driving force. The central finding from our review of Marx's *Capital* is that this corresponds to the third form of surplus value increase, whose importance was stressed by Marx yet which he excluded from his general theory. Here is the only possible solid foundation for a renaissance of Marxism on a world scale. This central finding also allows us to see the place of the neoliberal era in history. In *Grundrisse* Marx (1973) comments,

As long as capital is weak, it still relies on the crutches of past modes of production.... As soon as it feels strong, it throws away the crutches, and moves

in accordance with its own laws. As soon as it begins to sense itself and become conscious of itself as a barrier to development, it seeks refuge in forms which, by restricting free competition, seem to make the rule of capital more perfect, but are at the same time the heralds of its dissolution and of the dissolution of the mode of production resting on it (1973: 651).

This is startlingly similar to Lenin's argument that "capitalism only became capitalist imperialism at a definite and very high stage of its development, when certain of its fundamental characteristics began to change into their opposites, when the features of the epoch of transition from capitalism to a higher social and economic system had taken shape and revealed themselves in all spheres" (1997: 265). The rise of capitalism depended on the most barbaric forms of "primitive accumulation," such as the transportation of millions of African slaves, colonial plunder, and opium trafficking. When capitalism reached its adult stage and took full control over the production process, competition flourished and the inner laws of capital became expressed most fully. Finally, in its epoch of decay, capitalism increasingly relies on forms other than free competition—monopoly, vastly increased state intervention in all aspects of economic life, "accumulation by dispossession," imperialism—for its survival, but at the cost of distorting the operation of its laws and erecting new barriers to the expansion of the productive forces.

How does this chronology relate to the three forms of surplus value increase discussed in this article? In immature capitalism, increasing absolute surplus value—extending the working day to and beyond physical limits—was predominant. Once capital took control of the production process, relative surplus value—technology improvements to reduce the time needed to produce workers' consumption goods—became the predominant form, though at all times this depended on the persistence of much more brutal and archaic forms of domination, especially in the subject nations. In the neoliberal era the increasingly predominant form of the capital-labor relation is the global labor arbitrage, i.e., a means of appropriation whereby capitalism is able, via national oppression, to force down the value of labor power in "emerging nations." This constitutes the third form of surplus value increase that is now the increasingly predominant form of the capital-labor relation. The proletarians of the semicolonial countries are its first victims, but the broad masses of working people in the imperialist countries also face destitution. Expanded super-exploitation of new, youthful, and female proletarians of low-wage countries rescued capitalism from the hole in which it found itself in the 1970s. Now, together with workers in the imperialist countries, it is their mission to dig another hole—the grave in which to bury capitalism and thereby secure the future of human civilization.

Accumulation by dispossession

David Harvey's account of neoliberalism focuses on features that, he claims, lead to a new model of capitalist accumulation—accumulation by “dispossession”, “primitive accumulation”, and the absorption by capital of “non-capitalist” sectors and societies. Accumulation by dispossession is, he argues, “The dominant form of accumulating relative to expanded reproduction” (Harvey, 2003:153) and takes a wide range of forms:

- ✚ “The privatisation of land and the forcible movement of peasant populations”; “the conversion of ... common, collective, state, etc. ... property rights ... into exclusive property rights.”

- ✚ “The commodification of labour power and the suppression of alternative forms of production and consumption.”

- ✚ “The monetarisation of exchange and taxation, particularly of land.”

- ✚ The reduction of “whole populations to debt peonage.”

- ✚ “The dispossession of assets by credit and stock manipulation.”

- ✚ “The patenting and licensing of genetic material, seed plasma and all manner of products.”

- ✚ The “buying up” of assets that have been devalued through crisis “at fire-sales prices”, with crises being “orchestrated, managed and controlled to rationalise the system” to “permit accumulation by dispossession to occur without sparking a general crisis.”

- ✚ “The rolling back of regulatory frameworks designed to protect labour” (Harvey, 2003:145-147).

Harvey's list includes a range of unpleasant features of contemporary capitalism. But merely describing these as “dispossession” does not explain the present stage of the system. “Dispossession” is simply a long word meaning theft. When Pierre-Joseph Proudhon used the phrase “property is theft” in the 19th century, it was an anti-capitalist rallying cry, capable of expressing people's indignation at the system; so too is Harvey's phrase “accumulation by dispossession.” But sloganising against theft is not the same as providing a serious analysis, any more than it was when Marx criticised Proudhon in 1847.

The problem with Harvey's analysis is all the more serious because it includes features that have always accompanied capitalist accumulation, like the “dispossession” of some capitals by others in the course of the recession-boom-recession cycle, as well as attacks on wages and working conditions. It also includes methods that some capitalists use to expand their profits at the expense of other capitalists such as “the dispossession of assets by credit and stock manipulation.” This cannot enable the capitalist class as a whole to accumulate more. As Marx (1987) put it:

The class of capitalists taken as a whole cannot enrich itself as a class, it cannot increase its total capital, or produce a surplus value, by one capitalist's gaining what another loses. The class as a whole cannot defraud itself.

What applies to the dispossession of some capitalists by others even applies to certain forms of dispossession of non-capitalist sectors of the population. For instance, the widespread third world phenomenon of forcibly driving the urban poor from inner cities to make fortunes for property developers involves the further oppression of some of the poorest sections of the population. But it does not, in itself, create new value or surplus value for the capitalist class as a whole. The rents charged on luxury flats or office blocks are paid for out of already existing surplus value in the pockets of rich individuals or capitalist corporations (Fine, 2006).

“Primitive” accumulation

Harvey argues that dispossession means that “ primitive accumulation” , which Marx saw as important at the time of the rise of capitalism, continues to be a central feature of the world today – indeed, it seems, a more important feature than accumulation through the exploitation of labour power. But for Marx primitive accumulation was not simply the building up of fortunes by early capitalists through robbery. It was, centrally, robbery of land from peasants, which then forced them to seek employment as wage workers. Its specificity did not lie in exploiting classes increasing their wealth by force (something that has happened in all sorts of class societies). Crucially, it permitted the development of a specifically capitalist way of expanding this wealth by creating a class of “free” workers with no choice but to sell their labour power to those now in control of the means of production.

This form of “primitive” accumulation does continue today. Old landowners in Egypt, agrarian capitalists in Brazil, local Communist Party bosses in China and recently established capitalist farmers in India are continually trying to grab the land of local peasants, and where they succeed a new proletariat is created. But Harvey is mistaken in claiming this only characterises recent decades. As Terry Byres has noted, primitive accumulation occurred in the colonial empires that persisted into the post-war decades, although it was “ far less successful in its separation of the producers from the means of production than domestic primitive accumulation was in Western Europe ... it had also left a large stratum of poor peasants in possession of land” (Byres, 2005: 84).

While recent decades have seen the crudest forms of primitive accumulation, “it is not obvious that capitalist transformation is proceeding successfully” except in the case of East Asia (Byres, 2005: 87). For Byres, the only large country where primitive accumulation has added substantially to capital accumulation as such is China, where “from 1978 onwards, millions were

driven off the land, i.e. were effectively dispossessed and proletarianised” (Byres, 2005:88). No account of primitive accumulation should leave out the most important in the 20th century – the seizure of the land from the USSR’s tens of millions of peasant families through Stalin’s “collectivization” of agriculture from 1929 onwards. Harvey refers to this, but cannot include it in his account of the pre-neoliberal capitalist era, since he sees Stalinist-type regimes as attempts “to implement programmes of modernisation in those countries that have not gone through the initiation into capitalist development.”

For Harvey, Marx’s account of “primitive accumulation” is less important than an idea drawn from Rosa Luxemburg. She argued that a shortage of demand for capitalism’s products meant the system could only continue to expand by cannibalising the pre-capitalist world around it. Harvey writes, “The idea that some sort of ‘outside’ is necessary for the stabilisation of capitalism ... has relevance.” He argues that capitalism’s problem is “over-accumulation” and that this can be solved by eating up “non-capitalist social formations or some sector within capitalism that has not yet been proletarianised” (Harvey, 2003:141). Another of his “fixes” is investment in long term infrastructure projects within capitalism. It is these that he sees as absorbing “excess” capital and labour during the early post-war decades, although without explaining how they maintained the profitability of capital. His argument in some ways resembles that of Baran and Sweezy in *Monopoly Capital*—but unlike them Harvey hardly mentions the huge sums spent on arms in *A Short History of Neoliberalism*, *The New Imperialism* or his earlier *The Condition of Postmodernity*. It is this omission that allows him to conceive of a peaceful “spatial fix” for capitalism today (for an acute criticism of his argument, see Fine, 2006:143-144).

But what is there “outside capitalism” to allow “accumulation by dispossession” on the necessary scale? Harvey’s answer is that the state constitutes this “outside” – whether it is the state of the so-called “non-capitalist countries”, the developmental state in much of the Third World, or the state sector in advanced capitalist countries. Since these are all, for him, non-capitalist, a shift of their resources into private hands can provide new resources for capitalist accumulation. In making this argument, Harvey chimes with the “common sense” of a good portion of the left internationally, but it is a mistaken common sense. Already in the 1870s Engels understood that nationalisation does not in itself produce something outside capitalism:

The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage workers – proletarians. The capitalist relation is not done away with. It is rather brought to a head (Engels, 1897:71-72). In the period

following the Second World War all serious Marxist analyses had to take into account intervention by states, not only to support private capitalists, but also to undertake capital accumulation in their own right. For instance, the German Marxist Joachim Hirsch described how:

As the development of the productive forces progresses, the maintenance of the process of accumulation demands, on the one hand, forms and individual capitals of an order of magnitude which capital, to some extent, is no longer capable of bringing forth itself directly in its reproduction process, and which can only be realised through the intervention of the state apparatus. On the other hand, this very process creates the necessity for counteracting state interventions to guarantee a relative equilibrium in the process of reproduction as a whole (Hirsch, 1987: 81-82).

To read Harvey, you would think that the existence of a substantial state sector slowed down accumulation during the post-war decades. But that was a time with a higher rate of accumulation than today, so much so that it has been baptised “the golden age of capitalism.” As Ben Fine notes, “The boom ... was sustained by the opposite of the factors that Harvey now takes to be instrumental in current accumulation, not least the extension of nationalised industries and the economic role of the state more generally” (Fine, 2006:145).

The real rationale for privatization

There has been a trend towards privatisation of nationalised industries across much of the capitalist world for the past quarter of a century, just as there was a trend in the opposite direction through much of the 20th century. How are we to explain this? A number of distinct factors are involved. The first moves to privatise state owned industries in the 1980s were often a pragmatic response to “the fiscal crisis of the state” – the pressure on government finances as recession cut into tax revenues, and unemployment forced up dole and social security payments. Selling off state holdings in profitable companies, and then whole state owned corporations, brought in lots of cash and provided short term relief for governments’ problems. It was this that motivated the 1974-9 Labour government to sell shares in Burma Oil and BP.

Combined with this was a belief that state monopolies, removed from the pressure of competition, were not pushing their workers hard enough. This ties in with a wider notion that is often repeated today, even by some on the left—that the period of state economic interventionism was somehow based on a “Fordist” compromise between employers and workers, a view which should be refuted by the actual behaviour of the Ford Motor Company (Dunn, 2004: 63-64 and 66-67).

The logic of this view was that breaking up state owned monopolies and opening them to the market would force their managers to be much harder on

the workers, and would intimidate the workers into accepting worse conditions. Certainly the approach of privatisation often encouraged managers to force through methods to push up productivity. And once privatised, it was easy for companies to “contract out” a range of activities, so breaking the links that tie weak groups of workers to potentially more powerful ones. Ben Fine argues that “privatisation has been an important way in which the relations between capital and labour have been reorganised” and is connected to so-called “labour market flexibility” (Fine, 1999: 42).

But this motivation for privatisation could clash with its use as a short term solution to the state’s financial problems. For the state to make a lot of money out of privatisation, the privatisers had to have a prospect of monopoly profits. The breaking up of firms to shake up managers and frighten workers would do away with the monopoly. In practice most firms were sold intact, and left in a position of being able to charge monopoly prices to other sections of capital. Witness the bitter complaints of Ryanair’s ultra-Thatcherite boss Michael O’Leary against BAA’s monopoly charges for using London’s main airports. The state then had to appoint “regulators” to try to do by decree what the market was meant to do.

At the same time, privatisation is not absolutely necessary to create the illusion of the automatism of the market. The breaking up of state run institutions into competing units (NHS trusts, foundation hospitals, city academies, “self-governing” colleges, “agencies”) can try to achieve the same goal; so can “market testing” within particular entities. So too can deregulation aimed to produce competition between different nationally based, and often still state owned, companies. This is what the European Union is trying to do to a whole range of industries such as electricity and postal services. The end result of privatisation in a country like Britain can be that whole sections of “privatised” services such as electricity, water and rail can be run by foreign state owned companies.

These last examples refute Harvey’s portrayal of privatisation somehow crossing a magic line from “non-capitalist” to “capitalist” production. They do fit in with his description of neoliberalism as concerned with “class power”, although describing this as a “restoration”, let alone a creation, of class power is to massively exaggerate the weakness of the capitalist class in the pre-neoliberal period. There is also considerable debate about how effective privatisation has really been. Keynesian pro-capitalist analysts have produced studies suggesting zero or very few gains to “efficiency” from privatisation compared to changes such as new technology that could have been introduced just as effectively, perhaps even more effectively, in a nationalised concern.

Class power is involved in privatisation in another way. A powerful ideological myth sustaining capitalist rule within bourgeois democracies is that

the state represents the whole of the population. To sustain this myth the ruling class has to concede a margin of influence to the mass of people over the behaviour of the state through elections. This was not a problem when the general level of profitability allowed it to grant real reforms. Indeed, state possession of industries could help sustain the myth that the state was neutral in relation to class forces, so stabilising capitalism politically as well as economically. But when capitalism entered a long period of crises three decades ago a risk arose that people would expect the state controlled section of industry to protect them against the impact of these crises. Separating industry off from the state and subjecting it to the market can depoliticise the attacks on workers that accompany the crisis, shifting the blame to the seemingly automatic, natural forces of the market.

So Gavriil Popov, the free market economist who was mayor of Moscow during the tumultuous years 1989 to 1992, argued:

If we cannot soon denationalise and privatise property, we will be attacked by waves of workers fighting for their own interests. This will break up the forces of perestroika and put its future in question ... We must seek new mechanisms and institutions of political power that depend less on populism. (Quoted in *Socialist Review*, December 1990).

This Russian example challenges Harvey's ideas that "non-capitalist states" were transformed into capitalist ones to the benefit of the world system as a whole between 1989 and 1991. Far from this seeing the "creation" of a new class, many of the same people continued to control industry and the state. Faced with a great social crisis, they sought to find a way out by restructuring the economy under their control, and to protect themselves, through forms of privatisation giving the impression of ownership by the mass of people (for instance, privatisation by distributing vouchers, which favoured industrialists and apparatchiks who could then buy them up on the cheap). Some of the old ruling class gained from this and some lost out. But it can hardly be argued that the result was a great boost to accumulation either in the former USSR or worldwide – accumulation rates worldwide fell in the 1990s to even lower levels than in the 1980s (See the figures in Terrones and Cardarelli, 2005).

The almost "giveaway" privatisations of 1980s Britain, when firms and housing stock were sold below their real value, had the additional ideological advantage of winning support from sections of the middle class and some workers. However, this was not nearly as powerful a force as those who talked in the mid-1980s about "authoritarian populism" used to claim. For instance, one 1980s study found that workers who bought their council houses were no more likely to vote Tory than those who had not (Heath, Jowell and Curtice, 1985). Harvey overstates the case when he writes that under Thatcher "middle

class values spread more widely to encompass many of those who had once had a firm working class identity” (Harvey, 2005: 61-62).

There are two more factors involved in the trend towards privatisation. Many commentators hold that it makes restructuring through mergers and acquisitions across national boundaries easier. As Ben Fine has argued, restructuring internationally “has posed a problem to state owned industries which are confined to domestic ownership alone” (Fine, 1999:42). For capitalists involved in such activities, there is always the suspicion that a state owned partner will be getting tax concessions and subsidies from its government which will distort its balance sheets – and that if the merged company faces economic difficulties that government will come under political pressure to try to pass the buck to the foreign partner.

This element in the logic of privatisation is particularly appealing to those best placed to gain from it. Privatisation imposed on Third World countries by the International Monetary Fund and the World Bank as the price of deferring debt repayments can be of considerable benefit to American and European capital. Harvey quite rightly makes this point. He is, however, mistaken when he gives the impression that this form of “accumulation by dispossession” is somehow central to profit making.

An indication of where capital can best gain profits is given by the global flows of foreign direct investment. Two thirds of these are to the advanced countries, and the biggest chunk of the rest is to one destination only – China. The fact that those non-Western countries with financial surpluses (China, the Gulf oil states, etc.) have been using them to finance “private equity” takeovers of Western firms suggests that they know where most of the lucre still lies. Duménil and Lévy have completely distorted the picture in one of their widely read articles. They assert that “in 2000, US financial investments (treasury bills, bonds, commercial paper, stock shares, direct investment, etc.). in the rest of the world amounted to 3,488 billion dollars. The corresponding income was 381 billion dollars, that is, a return of nearly 11 percent.

It is interesting to note that this income was approximately equal to the total after-tax profits of all corporations in the United States, excluding such flows from abroad - that is a ratio of 100 percent” (Duménil and Lévy, 2004b). This is a complete misuse of figures, since it ignores foreign investments in the US and the counterflow of income from the US to capitalists and states abroad. Inward investment into the US has for some years been considerably greater than outward investment from it - even if the outward investment is on average more profitable. Duménil and Lévy recognise this elsewhere, giving figures showing income flows into and out of the US balancing each other. See the graph reproduced in Harvey, 2005:191.

Finally, privatisation is very profitable for some capitalists. It cannot in itself create more surplus value. Only increasing the exploitation of workers or peasants can do that. Otherwise all that is involved is diverting surplus value from one capitalist to another. But it does benefit particular capitalists. Their material interests are very much connected with the propagation of neoliberal ideology, and they set out to woo, bribe and browbeat politicians into pushing privatisation further.

How effective is neoliberalism for capitalism?

There is always a certain danger in propagandizing and agitating against repeated capitalist offensives. In stressing the harm they do it is very easy to overestimate their success and to underestimate the obstacles confronting them. It is also easy to forget that these obstacles come not only from popular resistance, but from contradictions within capitalism itself. A picture is presented of a defeated working class, no longer capable of withstanding the onslaught on its conditions. The typical worker is said to suffer precarious employment, with the threat continually hanging over his or her head of the firm simply shutting down and moving abroad.

So John Holloway asserts, “Capital can move from one side of the world to the other within seconds” (Holloway, 1995:125). Holloway does at one point recognise that productive capital is less mobile than money capital, but then goes on to ignore the effect of this distinction on the relations between capitals and states. Hardt and Negri’s *Empire* claims, “Capital can withdraw from negotiation with a given local population by moving its site to another point in the global network ... Entire labouring populations have thus found themselves in increasingly precarious employment situations” (Hardt and Negri, 2001:296-297).

For Harvey, capital relocates production as one of the “spatial temporal fixes” through which it responds to over-accumulation: “The geographical mobility of capital permits it to dominate a global labour force whose own geographical mobility is constrained” (Harvey, 2005:168-169). With technological change “offshore production became possible and the search for profit made it probable. Wave after wave of deindustrialisation hit industry after industry and region after region within the US” (Harvey, 2003:64). This, he claims, enables capital to impose increasingly precarious forms of work on workers:

In the neoliberal scheme of things short term contracts are preferred in order to maximise flexibility ... Flexible labour markets are established ... The individualised and relatively powerless worker then confronts a labour market in which only short term contracts are offered on a customised basis. Security of tenure becomes a thing of the past. Under neoliberalisation, the figure of “the

disposable worker” emerges as prototypical upon the world stage ... Disposable workers – women in particular – survive both socially and affectively in a world of flexible labour markets and short term contracts, chronic job insecurities, lost social protections, and often debilitating labour, amongst the wreckage of collective institutions that once gave them a modicum of dignity and support (Harvey, 2005:169-170).

This picture is not unique to left critics of neoliberalism. It is also to be found in the writings of those who have abandoned the left to embrace some version of the “Third Way.” Some of the phrases in Harvey could almost come from the writings of Anthony Giddens or Manuel Castells. (See Giddens, 1998; Giddens, 2002; Castells, 2006). Castells, for instance, writes of:

Structural instability [*sic*] in the labour markets everywhere, and the requirement for flexibility of employment, mobility of labour, and constant reskilling of the workforce. The notion of the stable, predictable, professional career is eroded, as relationships between capital and labour are individualised and contractual labour conditions escape collective bargaining (Castells, 2006:9). So many different voices tell the story that, it seems, no amount of counter-evidence can stop people believing in it (See for instance, the article by the journalist John Harris, *The Slow Death of the Real Job is Pulling Society Apart*, the *Guardian*, 19 October 2007).

For instance, Harvey, writing 18 years ago, admitted that such counter-evidence exists, referring to the empirical work of Anna Pollert who “challenges the ideas of flexibility in labour markets and labour organisation and concludes the ‘discovery of the flexible workforces is part of an ideological offensive which celebrates pliability and casualisation and makes them seem inevitable’” (Harvey, 1989:190). His response was simply to dismiss such evidence out of hand: “I do not accept this position. The evidence for increased flexibility (subcontracting, temporary and self-employment, etc.) through the capitalist world is simply too overwhelming to make Pollert’s counter-examples credible” (Harvey, 1989:191). He did not himself provide such evidence, and does not in his later books either.

I have challenged the sorts of claims Harvey takes for granted before and do not intend to lay out the evidence once more here (See Harman, 1996b; Harman, 2002. See also Dunn, 2004, and Bellofiore, 1999). But certain important points need to be made:

❖ Financial capital may be very mobile, but industrial capital is fixed in buildings, machinery and a material infrastructure required sustaining it. It cannot move at a moment’s notice. Harvey at least recognises that (Harvey, 2003:100), but does not let it ruin his story of the relentless spread of precariousness.

❖ The major source of recent job losses has not been the contracting out of work abroad. Tim Koechlin has analysed US investment and concludes that

between 1991 and 2004 foreign direct investment by US companies only amounted to 7.4 percent of total productive investment by those companies, and investment in “developing countries” to only 2.5 percent (Koechlin, 2006). Another study shows that between 1993 and 1998 US manufacturing employment “increased from 16.8 to 17.6 million and almost regained the 1989 peak of 18 million.” This was followed by “the largest slump in manufacturing employment in post-war history.” This was not caused by a flood of imports of either goods or services, but rather “the result of inadequate growth of domestic demand in the presence of strong productivity growth” and the “weakness of US exports” due to “the high US dollar” (Baily and Lawrence, 2004).

❖ Capital cannot manage without workers who have certain skills, and prefers workers who have some sense of responsibility for the job. It takes employers time to train people and they are rarely keen to lose them if they can avoid it. They therefore do not always treat workers as “disposable”, even when it comes to semi-skilled and unskilled labour. This is true just as much in less developed countries as in the advanced industrial ones (See, for example, Selwyn, 2007, on Brazilian agricultural workers).

❖ The empirical evidence for Western Europe does not justify a picture of a uniform, relentless spread of precarious jobs. There was a “substantial” increase in the number of such jobs in the early 1990s, but the relative proportions of permanent jobs (82 percent) and non-permanent jobs (18 percent) remained almost unchanged between 1995 and 2000. There are also huge variations between countries. Despite Britain being supposedly the most neoliberal country in Europe, one measure of precarious employment shows it as amounting to only 16 percent of jobs in 1992 as compared to 35 percent in Spain (Bodin, 2001). There was actually a decline in the course of the 1990s, so that by 2000 one survey showed only 5 percent of British employees being on temporary contracts (Taylor, 2002). And the number of people who had worked at the same workplace for more than ten years rose from 29 to 31 percent. These figures are from the Office for National Statistics, *Social Trends 2001*, p.88. An excellent, but as yet unpublished, study of the transformation of work by Kevin Doogan provides a similar picture to these figures.

❖ Many forms of work lumped together as “precarious” are long term, permanent jobs. This is true of the great majority of part time jobs, which are by no means temporary. This is also true of many jobs with short term contracts. Often short term contracts are for workers who are in fact permanent, with their contracts regularly being renewed when they expire. They are denied certain employment rights, but that does not mean the employer can easily dispense with their services or prevent them having the power to fight back. After all, there were no such things as formal contracts of employment in Britain before

the introduction of redundancy payments in the late 1960s, and employers had the right to sack workers whenever they felt like it. But this did not prevent the growth of shopfloor based union strength, even among groups such as dockers who were employed on a daily basis.

❖ Often what is involved is not workers losing the capacity to exert leverage on employers, but employers seeking to undermine workers' belief that they can do so. A study by Kate Bronfenbrenner found that during the economic upturn of the 1990s American workers felt more insecure about their economic future than during the depths of the 1990-1 recession. "More than half of all employers made threats to close all or part of the plant" during union organising drives. But afterwards "employers followed through on the threat and shut down all or part of their facilities in fewer than 3 percent" of cases (Bronfenbrenner, 2000). In other words, it is in the interests of employers to overemphasise how precarious jobs are in order to demoralise workers and lower the level of resistance. The task of the left is not to exaggerate insecurity, but to point to the counter-factors that provide workers with continued strength if they have the confidence to deploy it.

Neoliberalism, the welfare state and the social wage

There is an assumption in most anti-neoliberal writing that we are living through a period of the "withdrawal of state from social provision", as Harvey puts it (Harvey, 2005:161). But once again empirical evidence does not back up such assertions, particularly for the advanced industrial countries. State expenditure on social provision, like state expenditure in general, has, if anything, tended to rise through the decades since the 1970s (see figure 4).

Since 1995 expenditure on "social protection" by the main European countries has been more or less fixed, going up and down slightly with unemployment levels, and was no lower in the most recent US recessions than previous ones, despite "welfare reform" in the Clinton presidency. An analysis by Anwar Shaikh calculated the "net social wage" – the value of social expenditure from which workers benefit minus the taxes which workers pay—in a number of countries (Shaikh, 2003). He found that, for Germany, Canada, the United Kingdom, Australia and Sweden combined, this net social wage was generally higher as a proportion of GNP in the 1980s than in the 1960s and 1970s; the trend was similar in the US (figure 5).

Table 3: Welfare expenditure as percent of GDP 1979 and 1995

Country	1979	1995
Australia	13.2	16.1
Canada	14.5	18.0
France	22.0	29.1
Germany	25.4	28.7
Italy	21.2	22.8
Sweden	25.1	34.0
United Kingdom	16.4	22.5
United States	13.8	15.8

Figure 4: Net social wage as percent of GNP, (Drawn from Swank and Martin, 2001:917-918).

Shaikh’s analysis also makes a very important point. The bulk of “social wage” expenditure has always been paid for out of taxes on ordinary wages. In effect, it amounts to a redistribution of wage income within the working class – and in the US in the 1950s and 1960s, when the net social wage was negative, it amounted to workers providing a subsidy to the state rather than vice versa. Noting the variation between countries he writes:

Unlike the United States, the other OECD countries had generally positive net social wage ratios. Germany and the United Kingdom had the highest ratios, though even they averaged only about 5 percent of GDP and about 8 percent of total wages. Second, Sweden, the very paradigm of a welfare state, had an average net social wage around zero over the boom period (Shaikh, 2003). There have been repeated attempts by governments to cut back on social expenditures over the past three decades. Indeed in Britain struggles against cutbacks began much earlier than that. Yet the expenditures have gone on rising. How is that to be explained?

Part of the explanation has to do with struggles against the cutbacks. So long as governments depend on elections in bourgeois democracies, they cannot completely ignore the impact of their policies on the lives of the mass of the population. So in Britain the prominence of the NHS in successive general elections led New Labour to increase the proportion of GNP going into it. Harvey is right to highlight “the balance of class forces” in determining the degree of neoliberalisation (Harvey, 2005:50). But that is not the end of the

story. There are features built into capitalism that compel it to pay out a social wage even though it resents doing so.

Capitalist ruling classes can only prosper by exploiting people's capacity to work (their "labor power"). That capacity is damaged by illness, accidents and malnutrition. So capitalists have to worry about keeping a fit and able body of workers (i.e. "reproducing labour power"). That requires healthcare for workers, and benefits to enable workers to survive through periods of unemployment so that they can be fit for exploitation when the economy revives.

Modern capitalism also has to worry about the upbringing of the next generation of labour power, and ensuring it has the right level of education, training and work discipline to be profitably exploited. Hence the way its apologists worry about the "human capital" of the workforce and the amount of educational "value added" by schools. Finally, it is not just a question of physical wellbeing and aptitude. It is also a question of morale. The capitalist wants contented workers to exploit in the same way that a farmer wants contented cows. Workers cannot be expected to labour with any commitment to their work if they expect to starve to death once they reach retirement age. As Marx put it, there is a historically and socially determined element to the cost of reproducing labour power as well as a physiological one.

A pivotal moment in welfare development in Britain was the panic that developed at the time of the Boer War, when it was discovered that a high proportion of those who tried to enlist in the armed forces were not fit enough to fight. Ann Rogers has summarised the upper and middle class reaction:

The belief that change was necessary if Britain were to compete successfully with Germany and the United States remained central. Whether the argument was formulated by the Fabians or by Liberal imperialists the concentration was on the damage that poverty was doing to society rather than the misery it caused individual workers ... the underlying reason for the desire to improve the health of the working class was the need for a healthier labour force in the factories and the army (Rogers, 1993). This article provides an excellent account of the different forces involved in the rise of the welfare state and the current pressures on it.

This was the background to the granting of old age pensions and the provision of school meals by the Liberal government of 1906. But labour power is not an object like other commodities, which are passive as they are bought and sold. It is the living expression of human beings. What from a capitalist point of view is "recuperation of labour power" is for the worker the chance for relaxation, enjoyment and creativity. There is a struggle over the social wage just as over the normal wage, even if both are, up to a certain degree, necessary for capital.

This makes it very difficult for capital to redesign the welfare state in a way which would really fit with its narrow economic requirements. That would involve maintaining and even expanding those of its elements that are essential to the maintenance and reproduction of a productive labour force, while curtailing or abandoning “non-productive” expenditure on things like the care of the chronic sick, of the seriously disabled and of retired workers. The competitive extraction of surplus value demands the continuation of part of the welfare state. The political realities of maintaining power through bourgeois democracy rule out dismantling the rest of it.

This is where internal markets, market testing, contracting out, privatisation, encouraging private pensions and all the rest come in. They are mechanisms that are meant to depoliticise the process of social provision, so making it easier to refuse it to those deemed not to deserve it on the one hand, and to clamp down on the workers in the welfare sector on the other.

The political ambiguities of anti-neoliberalism

Why do these arguments matter if we are all agreed that marketisation, privatisation and precariousness are bad things? They matter because mis-analysis leads to serious mistakes when it comes to fighting back. If the centre of accumulation has moved from day to day exploitation to “dispossession”, then the focus of the fight shifts from the working class to struggles of those who are marginal to the productive process. The shift in focus is further reinforced if almost all jobs are seen as precarious, with employers being able to dismiss any workers who rebel. This is what Harvey seems to be arguing when he writes that in the post-1973 world “accumulation by dispossession moved to the fore as the primary contradiction within the imperialist organisation of capital accumulation” (Harvey, 2003:172).

Such an analysis puts a stress on “social movements” as opposed to class movements. There is a confusion in the use of the term “social movements” in some European countries because it lumps together struggles waged along class lines against exploitation with those against oppression and war that appeal, to some extent, across class lines. The writers who have gone furthest in drawing such a conclusion are Laclau and Mouffe who write that the “overdetermination assumed by social struggles in the third world” involves “the construction of political identities having little to do with strict class boundaries” (Laclau and Mouffe, 1985:13). Harvey resists this conclusion, at points insisting that class is central to resistance, but his theoretical framework leaves it open to an interpretation little different from that of Laclau and Mouffe.

This has important practical implications. Struggles of social movements tend to rise rapidly and then fall back just as rapidly precisely because they are not based on those whose position within the structures of capitalist production

bind them together organically and provide them with the power to confront the system. As the saying goes, social movements “rise like a rocket and fall like a stick.” What are left behind are skeleton organisations that are too weak to achieve their goals. Those involved are then all too easily tempted to conclude that a struggle cannot lead to victory, and to put their faith in reforms within the existing society, whether through old style reformist and populist parties or through NGOs.

Instructive in this regard are the arguments used by Fausto Bertinotti of Rifondazione Comunista in Italy to justify his turn to a government coalition with the pro-capitalist “centre-left” led by Romano Prodi. His turn came as the wave of demonstrations that occurred between the Genoa G8 protest (July 2001) and the start of the Iraq war (March 2003) began to decline, and in the wake of the failure to gain enough votes in a referendum on workers’ rights for it to pass into law. He painted a picture of the popular movements in Italy risking devastating defeats because precariousness had sapped people’s capacity to fight back:

The basic thing that characterises neoliberal globalisation is precariousness. It conditions the time devoted to labour and life, the relations of production and social relations, and which even penetrates into attempts to modify the people’s lives (See Fausto Bertinotti, *15 Tesi per il Congresso di Rifondazione Comunista*, **Liberazione**, 12 September 2004). What was involved in Rifondazione’s shift was not just the capitulation – or betrayal – of one individual. Crucial was his capacity to convince many thousands of activists to accept his arguments. This was possible because

Rifondazione’s activists had long been influenced by certain autonomist and Eurocommunist ideas that held that the working class’s strength had been damaged permanently by the mobility of capitalism and the “deindustrialisation” and “precarity” it produced. Social movements were seen as the only way forward, and when they went into decline the only hope seemed to be entering a government which might make at least a little turn away from “neoliberalism.” Much the same happened to some of the semi-autonomist left in Argentina after the great revolt of December 2001 to January 2002. Once the great upsurge of the social movements of *piqueteros* and the popular assemblies died down, the easy option seemed to be to work with the Kirchner government as it made its turn away from the radical version of neoliberalism of the previous decade.

Such shifts, from radical opposition to working through parties and governments that try to manage the system for capitalism, are encouraged by the notions of a “good” “Keynesian” version of capitalism and a “bad” “neoliberal” one – or the parallel contrast between “finance capital” that does not care for workers and “productive capital” that supposedly does. The reality is that capital uses the state as much today as it did in the heyday of

“Keynesianism” – indeed, even more so, insofar as it is faced with more crises needing intervention. Neoliberalism as an ideology does not guide practice when it comes to this matter. The difference with the post-war decades is that capital is anxious to cut back on many of the positive reforms it granted in a more profitable era, and states respond accordingly.

It is this which leads to the ambiguities in the use of the term “neoliberalism” by the left. The term can be used simply to designate the negative features of many governmental measures in the present phase of the system – the anti-reforms that have replaced the positive reforms it was possible to extract from capital without a great deal of struggle from the late 1940s to the mid-1970s. But the term can also be used to reinforce the illusion that minor changes in the running of parts of the system are all that is necessary to improve the situation of the mass of people. By the same token, those who see their fight as an “anti-neoliberal” one can move on to see it as “anti-capitalist”, but they can also slip back into conciliation with the system.

Rhetoric and slogans have a role in politics, but they are not a substitute for clarity about the enemy and how to fight it. And we will all need more clarity as the competitive pressures on national states and capitalist firms in a period of recurrent crises leads to more attacks on the wage, the social wage, working conditions and jobs. Indeed, capitalism is a system of exploitation. A handful of parasites live off the backs of the workers and could not care less about their situation. This is how they came to pocket over \$23 billion profits in 1991. Every bit of the capitalists’ vast wealth was stolen from the working people. The capitalists get rich from the fruit of the labor of others.

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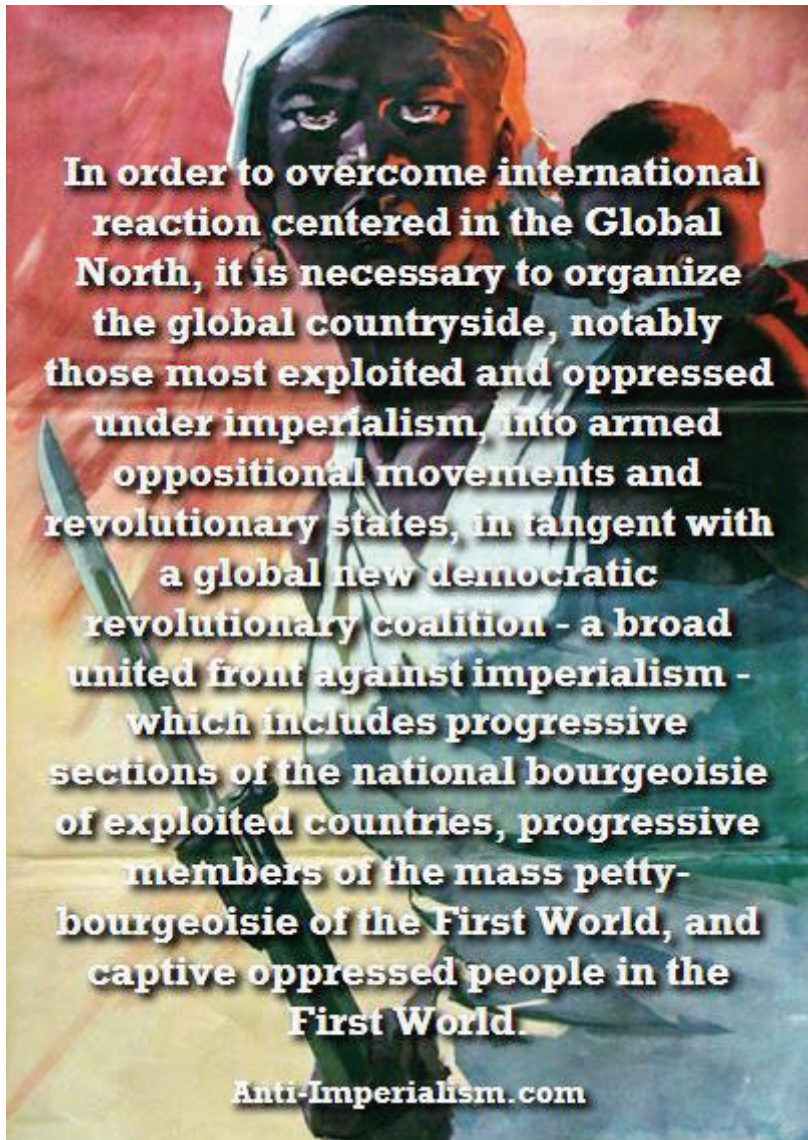
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Neoliberalism and Imperialism: Global Oppression and Powerlessness of the Weak



Overview

Neoliberalism or corporate imperialism or global capitalism is a pervasive and increasingly global ideology, associated with the favoring of free market

competition and private property rights, reduction or abolishment of government intervention and expenditure, and valuation of individual “freedom of choice.” Although often represented in everyday discourse or common sense as an “efficient” and self-evident way of social organization, neoliberalism is associated with a disproportionate accrual of wealth and opportunity among certain groups. In particular, critics point out that neoliberalism benefits multinational corporations and the financial sector, as well as particular government agencies and international organizations. When put into practice, neoliberal policy has produced increasing social and economic inequalities within countries as well as between countries and regions. These disparities potentially lead to disempowerment and produce negative effects on well-being. In fact, there is no place on Earth where neo-liberalism has not poisoned and rendered human beings powerless. It has allowed a handful of private interests to control as much as possible of social life in order to maximize personal profit. It has poisonous effects especially in the Third World, where imperial powers continue to pirate natural and human resources to fill the pockets of transnational capitalists. Initiated by Reagan and Thatcher, for the last two decades, neo-liberalism has become the dominant economic and political trend for much of the governments.

Beginning of New Era Capitalist Self-Destruction

The neoliberal era (Davidson, 2003, 2009, 2010) can be retrospectively identified as beginning with the economic crisis of 1973, or, more precisely, with the strategic response of state managers and employers to that crisis. Previous eras in the history of capitalism have tended to close with the onset of further period of systemic crisis; 1973, for example, saw the end of the era of state capitalism which began in 1929. The neoliberal era, however, has not only survived the crisis which began in 2007, but its characteristic features are, if anything, being further extended and embedded, rather than reversed.

Yet, although neoliberalism has massively increased the wealth of the global capitalist class, has it also restored the health of the system itself? The crisis which gave rise to neoliberalism was, after all, caused by the end of the unprecedented period of growth which characterised the post-war boom, and the consequent accelerating decline in the rate of profit, unimpeded by the countervailing tendencies, above all arms spending, which had held it in check since the Second World War. These levels of growth were never resumed, but it would be wrong to claim that capitalism experienced no recovery after 1973. The boom from 1982 to 2007 was certainly uneven and punctuated by particularly sharp financial crises and recessions in 1987, 1991, 1997 and 2000; but these were normal expressions of the business cycle and only a misplaced

fixation with using the unique and unrepeatable period between 1948 and 1973 as a comparator could justify treating these as symptoms of crisis. When crisis did return in 2007–8, it simply proved that neoliberalism was no more capable of *permanently* preventing this than any other mode of capitalist regulation.

Neoliberalism does, however, represent a paradox for capitalism. Its relative success as a ruling-class strategy, particularly in weakening the trade union movement and reducing the share of profits going to labour, has helped to disguise that some aspects of this mode of regulation are proving unintentionally detrimental to the system. Serving the interests of the rich is not the same—or at least, not always the same—as serving the interests of capital and may, in certain circumstances, be in contradiction to it. Simply doing what the rich want is unlikely to produce beneficial results for the system as a whole, although it may help increase the wealth of individual capitalists. For not only are capitalists generally uninterested in the broader social interest, which we might expect, but they are also generally incapable of correctly assessing their *own* overall collective class interests, which might seem more surprising—although as we shall see, it is a long-standing phenomenon, observed by many of the great social theorists from late eighteenth century onwards.

As a result, capitalist states—or more precisely, their managers—have traditionally acted to make such an assessment; but in the developed West at least, neoliberal regimes are increasingly displaying an uncritical adherence to the short-term wishes of particular business interests. This is not the only emergent problem: the increasingly narrow parameters of neoliberal politics, where choice is restricted to ‘social’ rather than ‘economic’ issues, has encouraged the emergence of far-right parties, usually fixated on questions of migration, which have proved enormously divisive in working-class communities, but whose policies are in other respects by no means in the interests of capital.

The self-destructive nature of neoliberal capitalism has nothing necessarily to do with the removal of restrictions on markets. The rise of neoliberalism made it fashionable to refer to Karl Polanyi’s *The Great Transformation*, the assumption being that neoliberalism is in the process of realising Polanyi’s nightmare: reversing the second part of his ‘double movement’—the social reaction against markets—and unleashing the mechanisms that he saw as being so destructive of society and nature.

Leaving aside the fact that capitalism was always capable of producing social atomization, collective violence and environmental destruction, even in periods when the state was far more directly involved in the mechanisms of production and exchange than it is now, there are two problems with this position. First, rhetoric apart, capitalists no more favour untrammelled competition today than they did when monopolies and cartels first appeared as aspects of the emerging

system in the sixteenth century. Second, one would have to be extraordinarily naïve to believe that the neoliberal project has been about establishing ‘free’ markets in the first place, although this myth has been assiduously perpetrated by social democratic parties who, eager to disguise their own capitulation to neoliberalism, emphasize their opposition to the marketization of all social relationships, even though no-one—except perhaps the followers of Ayn Rand—seriously imagines this is either possible or desirable. In what follows I will mainly draw on the experiences of the UK and the US, since these were the first nation-states in which neoliberalism was imposed under democratic conditions—unlike Chile or China, for example—and where it has in many respects gone furthest. To understand the real nature of the difficulties inadvertently caused for capital by neoliberalism we have to begin with the role of capitalist states ‘in general’.

Capitalist states Before Neoliberalism

How did capitalist states operate before neoliberalism? There are two foundational aspects of capitalism: the ‘horizontal’ competition between capitals and the ‘vertical’ conflict between labour and capital. The role of the capitalist state is to impose a dual social order determined by these two processes: over competing capitals so that market relations do not collapse into ‘the war of all against all’, and over the conflict between capital and labour so that it continues to be resolved in the interest of the former. Beyond this, states also have to establish ‘general conditions of production’, which individual competing capitals would be unwilling or unable to provide, including some basic level of technical infrastructure and welfare. These functions are mainly ‘internal’ to the territory of nation-states, but they must also represent the collective interests of the ‘internal’ capitalist class ‘externally’ in relation to other capitalist states and classes, up to and including the conduct of war.

In order to maintain links to capital in all its multiple incarnations, the state must partly mirror capital’s fragmentation. As this suggests, not every action carried out by the state need necessarily be in the direct collective interest of the ruling class – indeed, if it is to give the appearance of adjudicating between different class and other interests then it is essential that they are not, so long as these actions are ultimately *subordinated* to ruling class interests. Nevertheless, the capitalist state has nevertheless tended not to be run by capitalists themselves. Why not?

The earliest social theorists to concern themselves with the emergent capitalist system—which they tended to refer to as ‘commercial society’—were unambiguous in their assessment of how narrow business interests were. Since Adam Smith is, quite unfairly, treated as the patron saint of neoliberalism it may

be worth reminding ourselves of his still-refreshingly candid views about the capacity of business interests for deception and oppression, and their inability to see beyond their own immediate interests. Nearly a century later in the 1860s, Smith's greatest successor, Karl Marx, was able to point in *Capital* to the example of the British Factory Acts as an example of how the state had to intervene to regulate the activities of capital in the face of initial opposition from the capitalists themselves. Reflecting on the entire legislative episode, Marx noted the way in which it took Parliamentary legislation to force capital to accept regulation of the length of the working day. Indeed, the most irreconcilable positions were expressed not by employers but by their ideologues, the most important of whom was Herbert Spencer, who saw—and here we can detect the genuine ancestry of contemporary neoliberalism—the specter of socialist slavery in any form of state intervention.

The thesis concerning bourgeois incapacity was not only restricted to critical supporters of capitalism like Smith or opponents like Marx. Joseph Schumpeter yielded to no-one in his admiration for the heroic entrepreneur, but also noted during the Second World War that, with the possible exception of the United States, the bourgeoisie was so incapable of self-rule that it required a non-bourgeois group as a 'master'. Without the kind of constraints provided by this pre-capitalist framework, the more sober instincts of the bourgeois would be overcome by the impulse towards what Schumpeter called 'creative destruction'. The delegation of power to the state therefore exists because of the inaptitude of the capitalist class compared to other ruling classes in history: feudal lords combine an economic and political role; capitalists perform only the former – although the necessity for capitalists to devote their time to the process of accumulation and their own multiple internal divisions also militate against their functioning directly as a governing class.

Schumpeter was, however, too pessimistic: from the First World War in particular, the pre-capitalist classes which had acted as the shepherds of capital were increasingly replaced by state managers: the professional politicians and civil servants respectively responsible for the legislative and executive wings of the state. At the most fundamental level, the common interest between capitalists and state managers stems from their common class position: both are part of the bourgeoisie. If we visualise the bourgeoisie as a series of concentric circles, then the capitalist class as such (actual owners and controllers of capital) occupies the centre and a series of other layers radiates outwards, with those closer to the periphery being progressively less directly connected to the core economic activities of production, exploitation, and competition, and more involved with those of the ideological, administrative, or technical aspects, which are nevertheless essential to the reproduction of capitalism. The incomes that state managers are paid from state revenues ultimately derive from the total

social surplus value produced by the working class, as are the profits, interest, and rent received by different types of private capitalist. And this applies not simply to the source of their income but also to its level, since the relatively high levels of remuneration, security, and prestige enjoyed by these officials depend on the continued exploitation of wage labour. At that level the interests of state managers and capitalist are the same.

These groups have a shared ideological commitment to capitalism, but their particular interests arise from distinct regions of the totality of capitalism, in its various national manifestations. A shared background in institutions like schools, universities, and clubs helps to consolidate a class consciousness that articulates these interests, but a more fundamental reason is that the activities of states are subordinated to the accumulation of capital. In the British case, the state may not do this as successfully as the capitalist class might wish, but that is an indication of the problems of managing long-term relative decline, not that the state managers have different goals. Regardless of their class origins, state managers and capitalists are drawn together into a series of mutually supportive relationships. The former need the resources provided by individual national capitals, principally through taxation and loans, in order to attend to the needs of the national capital as a whole; the latter need specific policy initiatives to strengthen the competitive position of their sector of the national capital within the global economy. There have nevertheless always been tensions, above all the fear on the part of capitalists that states—which they regard as Weberian autonomous entities with their own interests—will either restrict or abolish their right to private property. What gives these fears plausibility is precisely the fact that state managers have both to facilitate the process of capital accumulation and ameliorate its effects on the population and environment, returning us to the Factory Acts and capitalist responses to them described by Marx in 1867.

Has the neoliberal era seen the capitalist class finally succeeding in ‘binding Leviathan’, to quote the title of an early British neoliberal text by William Waldegrave? We need to be clear that it is not the nature of capitalist states themselves that has changed: they still need to perform the core functions described at the beginning of this section. There is no ‘neoliberal state’, but there are ‘neoliberal regimes’. In the case of the UK the regime began, not with Margaret Thatcher’s General Election victory in 1979, but around half-way through the preceding Labour Government of 1974–9 and it persists, with variations, to this day, whatever the bleating from Polly Toynbee and others on the liberal left about the supposedly fundamental differences between the two main parties.

What has changed is that the relationship between neoliberal regimes and capital since the 1970s has prevented states from acting effectively in the collective, long-term interest of capitalism. Neoliberal regimes have increasingly

abandoned any attempt to arrive at an overarching understanding of what the conditions for growth might be, other than the supposed need for lowering taxation and regulation and raising labour flexibility. Apart from these, the interests of the total national capital is seen as an arithmetical aggregate of the interests of individual businesses, some of which, to be sure, have rather more influence with governments than others. In so far as there is a 'strategic view' it involves avoiding any policies which might incur corporate displeasure, however minor the inconveniences they might involve for the corporations, which of course includes regulation. These developments have, not unexpectedly, led to complete incomprehension among remaining Keynesians of the liberal left such as Ha-Joon Chang and Will Hutton, but they are not beyond explanation. The reason is not simply because of successful lobbying and PR on behalf of individual businesses or industries, pernicious and pervasive though these increasingly sophisticated activities undoubtedly are. But corporations have always done this: why are state managers now so predisposed to respond positively to their efforts? The answer is in the way in which neoliberalism has reconfigured politics.

Distance between State and Capital

The necessary distance between the state and capital (or between state managers and capitalists) that Smith, Marx and Schumpeter from their different political perspectives all regarded as being essential for the health of the system, is being minimized. In particular, the regime adoption of timescales associated specifically with the profit-maximizing drives of financial capital is important as it indicates the short-termism involved. Three factors are important in producing this tendency.

The first is the depoliticization of the political wing of the state managers through the delegation of functions away from the government in office to ostensibly 'non-political' bodies, the introduction ostensibly 'objective' assessments of the effectiveness of policy and imposition of binding 'rules' which restrict the range of actions which politicians can take. In relation to the latter in particular, each successive phase of the neoliberal experiment saw the incremental abandonment of the repertoire of measures through which governments had traditionally influenced economic activity, beginning with Geoffrey Howe's abandonment of exchange controls in 1979 and concluding (to date) with Gordon Brown's transfer of the power to set interest rates from the Treasury to an unelected committee of the Bank of England.

As a consequence of their heightened 'managerial' function, politicians have increasingly become a professional caste whose life-world is increasingly remote from any other form of activity, economic or otherwise, and therefore more

autonomous, while simultaneously becoming more committed to capitalist conceptions of the national interest, with business as an exemplar. Consequently, most discussion of politics—in the developed world at least—is devoted to expending more or less informed commentary and speculation on essentially meaningless exchanges within Parliaments and other supposedly representative institutions. Debates therefore have the quality of a shadow play, an empty ritual in which trivial or superficial differences are emphasized in order to give an impression of real alternatives and justify the continuation of party competition.

To understand why, we have to focus on the weakening of the labor movement, since one of the inadvertent roles which it historically played was to save capitalism from itself, not least by achieving reforms in relation to education, health and welfare. These benefitted workers, of course, but also ensured that the reproduction of the workforce and the conditions for capital accumulation more generally took place. In this respect social democracy occupied a similar place to the pre-capitalist elites identified by Schumpeter as necessary to rule on behalf of a congenitally incapable capitalist class. But with the weakening of trade union power and the capitulation of social democracy to neoliberalism, there is currently no social force capable of either playing this reformist role directly or by pressurizing non-social democratic state managers into playing it.

The second factor, opposed to the depoliticization of politicians, is the politicization of the non-political wing of the state managers: the civil servants. As the political parties became less distinct from each other, the officials required to implement their increasingly similar policies are required to turn themselves more completely into extensions of the parties themselves. In the US, the politicization of the civil service has always been a more significant factor than in the UK, but even there the neoliberal era saw a heightening of the existing tendency. The permeability and lack of technocracy of the US state bureaucracy compared to the French or British may have some advantages for capital, but generally hinders the separation of policy making from political considerations and leads to the politically motivated choice of budget projections.

These tendencies were exacerbated by the Civil Service Reform Act of 1978 which further weakened the autonomous basis of the government bureaucracy. In the UK, following hard on the heels of the United States as always, there has been since 1979, and especially since 1997, a more generalised influx of private-sector appointees into the civil service, to the point where it has been effectively subject to a corporate takeover. But even in relation to the permanent home civil service, the expectation that senior civil servants in particular will not attempt to point out the difficulties involved in governmental policies or even

consider alternative ways of delivering policies, but simply present arguments to justify them, regardless of the empirical data.

The third and final factor in producing chronic short-termism in neoliberal regimes is the de-politicization of the electorate. Except it is not so much de-politicization as *abstention* by sections of the electorate who no longer have any parties for whom to vote. Many of those electors still involved in casting their vote do so—appropriately enough—on a consumer model of political choice, where participation is informed by media-driven perceptions of which result will be to their immediate personal benefit. Unsurprisingly, the numbers prepared to carry out even this minimal level of activity are declining.

This *can* be reversed, as was demonstrated in the popular insurgency for a Yes vote during the 2014 Scottish independence referendum, where 97 percent of population registered to vote and 85 percent actually did; but under ‘normal’ conditions, those who vote are more likely to belong to the middle-classes, who tend to have a more focused view of their material interests and deploy more interventionist strategies for maintaining them than those bearing the brunt of austerity. Ironically, one reason for the rise of neoliberalism in the US was a paradoxical outcome of the successful demand for greater democratic accountability during the 1960s and 1970s. This led to the weakening of both congressional committees and party structures, and produced a new breed of ‘entrepreneurial politicians’ interested in highlighting issues popular with specific audiences which would provide them with a stable following.

A model for ‘returning power to the people’ along these lines was built early on in the neoliberal experiment, in the US. The most fully developed version can be found in California. Since the mid-1970s, politics in the world’s fourth biggest economy have been characterized by a combination of falling voter participation among working class and minority groups, and a targeted use of local referendums on ‘propositions’. The latter have been designed to defend property values by blocking integrated schooling and urban development, and by preventing progressive taxation. Proposition 13 was passed in 1978 and signalled the commencement of the neoliberal era in the US by capping taxes on property, even though house values were rising. As a result, the burden of taxation fell disproportionately on income tax, even though for most worker’s salaries and wages were stagnant or falling – and even increasing income tax requires a two thirds majority in both Houses of the State Legislature.

It is the self-interested behavior of a mobilized middle-class that has brought California to fiscal crisis in 2009, after which the usual remedies of cutting public services, including child health care, were now being offered as a solution to the structural inability of the state to raise the necessary levels of taxation. The paralysis of California may foreshadow the future of US politics as a whole and,

in turn, the US may foreshadow the future of politics in the rest of the world, a development for which there are, unfortunately, historical precedents.

Irreversibility of Neoliberalism?

The entire neoliberal project was premised on the irreversibility of the process: the abolition of regulatory mechanisms, dismantling of welfare programs, ratification of international treaties for which there are no formal mechanisms allowing them to be either amended or annulled, and so on – all these could be reversed, but it would require new legal and administrative structures which would in turn require planning and a political will to do so which has not existed since the beginning of the neoliberal era. For all practical purposes then, members of the ruling class in the West are now united in accepting neoliberalism as the only viable way of organizing capitalism as an *economic* system, but they are divided in relation to how capitalism should be organized as a *social* system. They may all be neoliberals now, but they are not all neoconservatives. In the US both Democrats and Republicans are openly committed to capitalism, but there are also real divisions of opinion between them concerning, for example, gay rights or environmental protection.

Electoral support for the far-right in these circumstances is based on the apparent solutions it offers to what are now two successive waves of crisis, beginning respectively in 1973–4 and 2007–8, which have left the working class in the West increasingly fragmented and disorganized, and susceptible to appeals to blood and nation as the only viable form of collectivism still available, particularly in a context where any systemic alternative to capitalism—however false it may have been—had apparently collapsed in 1989–91. The political implications are ominous. The increasing interchangeability of political parties, discussed above gives the far-right an opening to appeal to voters by positioning themselves as outside the consensus in ways which speak to popular appetites for destruction fostered by capitalism itself.

The potential problem for the stability of the capitalist system is however less the possibility of far-right parties themselves coming to power with a program destructive to capitalist needs, than their influence over the mainstream parties of the right, when the beliefs of their supporters may inadvertently cause difficulty for the accumulation process. Take an important area of Republican Party support in the US. Since the late sixties Republicans have been increasingly reliant on communities of fundamentalist Christian believers, whose activism allows them to be mobilized for voting purposes. But this religious core vote, or at any rate their leadership, naturally also demand the implementation of policies in return for their support. The problem for the Republicans is not, however, only that the extremism of fundamentalist Christianity may alienate

the electoral ‘middle-ground’ on which the results of American elections increasingly depend. What is perhaps interesting here is less the consciously oppositional elements of right-wing populist ideology, which tend to be directed against the socio-cultural views of one (liberal) wing of the ruling class, and more what I referred to earlier as outcomes which might be unintentionally ‘detrimental’ to capital. In other words, politicians may be constrained from undertaking policies which may be necessary for American capitalism, or be forced into taking decisions which may harm it.

But it is not only religious belief which can cause difficulties for US capital; so too can overt anti-migrant racism. One concrete example of this is the Tea Party-inspired Beason-Hammon Alabama Taxpayer and Citizen Protection Act—HB56 as it is usually known—which was passed by the State legislature in June 2011, making it illegal not to carry immigration papers and preventing anyone without documents from receiving any provisions from the state, including water supply. The law was intended to prevent and reverse illegal immigration by Hispanics, but the effect was to cause a mass departure from the many of the agricultural businesses which relied on these workers to form the bulk of their labor force. But the effects went deeper.

Before the laws introduced it was estimated that 4.2 percent of the workforce or 95,000 people were undocumented but paying \$130.3 million in state and local taxes. Their departure from the state or withdrawal to the black economy threatened to reduce the size of the local economy by \$40 million. Moreover employers had to spend more money on screening prospective employees, on HR staff to check paperwork, and on insuring for potential legal liabilities from inadvertent breaches of the law. In an earlier era, social democratic reforms were usually intended to enable the system as a whole to function more effectively for capitalists and more equitably for the majority, however irreconcilable these aims may be in reality. But far-right reforms of the type just discussed are not even intended to work in the interests of capitalists, nor do they: they *really* embody irrational racist beliefs which take precedence over all else.

The British Conservative Party has encountered similar problems to the Republicans in relation to Europe. The imperial nationalism unleashed by the Conservatives before 1997 in relation to ‘Europe’, was not because the EU was in any sense hostile to neoliberalism, but as an ideological diversion from the failure of neoliberalism to transform the fortunes of British capital. The nationalism invoked for this purpose now places a major obstacle for British politicians and state managers who want to pursue a strategy of greater European integration, however rational that may be from their perspective. A 2013 British Chambers of Commerce poll of 4,387 companies showed only eighteen percent agreeing that full withdrawal from the EU could have a positive

impact, while a majority of sixty-four percent supported remaining inside the EU while repatriating some powers: unsurprisingly, the real source of anti-EU feeling is small business. The key beneficiary of the anti-European hysteria has been UKIP and its success has in turn emboldened the right within the Conservative Party, even though the policies associated with both are incoherent. But these contradictions may not matter in terms of the political struggle for power. The narrowly-won Swiss referendum vote in 2014 to introduce quotas on migrants from the EU, passed against the wishes of local capitalists and ruling classes of Europe and potentially bringing retaliation from Brussels, gives a small indication of what might follow.

If I am right that certain aspects of far-right politics are counter-productive in relation to the needs of capital, it does not follow that the increased chaos consequent on the implementation of these policies would necessarily be of benefit, even indirectly, to the left. Defence of the system is always the principle objective of the bourgeoisie, even at the expense of temporary system malfunction. In a situation where economic desperation was leading to mounting disorder, far-right parties would be brought into play to direct attention from the real source of social anguish onto already-identified scapegoats, no matter what price they exacted in terms of policy.

Symbiotic Relationship

What we see emerging is a symbiotic relationship between one increasingly inadequate regime response to the problems *of* capital accumulation and another increasingly extreme response to the most irrational desires and prejudices produced *by* capital accumulation. In *Descent*, the most recent novel by the Scottish science fiction author, Ken McLeod, the author imagines a situation in the near future where the ruling classes of the world take coordinated legal and military action in a passive revolution ('the Big Deal') to smash the dominance of financial capital, restore that of industrial capital and essentially put an end to the neoliberal era. This aspect of the novel is far more incredible than the alien encounters that occur elsewhere in its pages. Clearly, in situations of absolute, immediate crisis, short-term emergency measures would be introduced in the same way as the effective nationalisation of banks and other financial institutions took place in both the US and UK during 2008. But these were minimal interventions to prevent outright collapse, save the institutions (and the practices which brought them to the point of crisis in the first place) without using them for any coherent strategic end, let alone any broader social purpose; and of course on the basis that they would be re-privatised as soon as possible.

Let me clear what I am not saying. I am not suggesting that it should be the work of socialists to propose solutions to the crisis of capitalism. It is always

necessary to argue for reforms, of course, but the idea that the application of Keynesian solutions would restore the Golden Age of the post-war welfare state is simply illusionary and underestimates the extent to which those years were the result of a unique set of circumstances. Booms will continue to occur, as they did between 1982 and 2007, but the beneficiaries will become fewer and fewer.

Consequently, I am not predicting that developments discussed here mean that capitalism will simply collapse under the weight of its own internal contradictions either. Scenarios of this type, from those of Rosa Luxemburg onwards, have been proved false in the past and there is no reason to suppose that they will be any more accurate in the future. Indeed, a collapse not brought about by the conscious intervention of the oppressed and exploited would not be to their advantage in any case, but simply a step towards the barbarism to which Marxists from Engels onwards have seen as the consequence of failing to achieve a socialist society. And this is no mere slogan: the condition of central Africa and parts of the Middle East today indicates the presence of actually existing barbarism as the daily reality for millions. Events in the developed world are unlikely to take this form, at least until environmental catastrophe becomes irreversible, but rather involve a gradual and, for all but the very poorest, almost imperceptible worsening and coarsening on their conditions of life.

What I am suggesting is that neoliberalism as a strategy has almost been too successful as a method of capitalist regulation. It has finally brought about the situation that Schumpeter feared, where creative destruction has no limits or boundaries. Both Engels and Benjamin envisaged capitalism as a runaway train heading for destruction. It appeared, within less than a decade of the latter's suicide in 1940, that forces within capitalism itself were capable of 'pulling the hand break'; it now appears that his initial intuition was right and that revolution is all stands in the way of the disaster that otherwise awaits.

The Thirteen Commandments of Narcotizing Neoliberalism

Neoliberals are not fundamentalists. But they approach crises with a certain logic—one that is directly relevant to comprehending neoliberalism's unexpected strength in the current global economic crisis (Mirowski, 2013). Throughout the second half of the twentieth century, the neoliberal project stood out from other strains of right-wing thought in that it was self-consciously constituted as an entity dedicated to the development, promulgation, and popularization of doctrines intended to mutate over time. It was a moveable feast, and not a catechism fixed at the Council of Trent. It is very important to have some familiarity with neoliberal ideas, if only to resist simple-minded characterizations

of the neoliberal approach to the financial crisis as some form of evangelical “market fundamentalism.”

Although many secondhand purveyors of ideas on the right might wish to crow that “market freedom” promotes their own brand of religious righteousness, or maybe even the converse, it nonetheless debases comprehension to conflate the two by disparaging both as “fundamentalism”—a sneer unfortunately becoming commonplace on the left. It seems very neat and tidy to assert that neoliberals operate in a *modus operandi* on a par with religious fundamentalists: just slam *The Road to Serfdom* (or if you are really Low-to-No Church, *Atlas Shrugged*) on the table along with the King James Bible, and then profess to have unmediated personal access to the original true meaning of the only (two) book(s) you’ll ever need to read in your lifetime. Counterpoising morally confused evangelicals with the reality-based community may seem tempting to some; but it dulls serious thought. It may sometimes feel that a certain market-inflected personalized version of Salvation has become more prevalent in Western societies, but that turns out to be very far removed from the actual content of the neoliberal program.

Neoliberalism does not impart any dose of Old Time Religion. Not only is there no ur-text of neoliberalism; the neoliberals have not themselves opted to retreat into obscurantism, however much it may seem that some of their fellow travelers may have done so. You won’t often catch them wondering, “What Would Hayek Do?” Instead they developed an intricately linked set of overlapping propositions over time—from Ludwig Erhard’s “social market economy” to Herbert Giersch’s cosmopolitan individualism, from Milton Friedman’s “monetarism” to the rational-expectations hypothesis, from Hayek’s “spontaneous order” to James Buchanan’s constitutional order, from Gary Becker’s “human capital” to Steven Levitt’s “freakonomics,” from the Heartland Institute’s climate denialism to the American Enterprise Institute’s geo-engineering project, and, most appositely, from Hayek’s “socialist calculation controversy” to Chicago’s efficient-markets hypothesis. Along the way they have lightly sloughed off many prior classical liberal doctrines—for instance, opposition to corporate monopoly power as politically debilitating, or skepticism over strong intellectual property, or disparaging finance as an intrinsic source of macroeconomic disturbance — without coming clean on their reversals.

Clearly, neoliberals do not navigate with a fixed static Utopia as the astrolabe for all their political strivings. They could not, since they don’t even agree on such basic terms as “market” and “freedom” in all respects. One can even agree with Robert Brenner and Naomi Klein that crisis is the preferred field of action for neoliberals, since that offers more latitude for introduction of bold experimental “reforms” that only precipitate further crises down the road.

Nevertheless, Neoliberalism does not dissolve into a gormless empiricism or random pragmatism. There persists a certain logic to the way it approaches crises; and that is directly relevant to comprehending its unexpected strength in the current global crisis.

Under that supposition, we endeavor here to provide a necessarily non-canonical characterization of the temporary configuration of doctrines that neoliberals had arrived at by roughly the 1980s. These Thirteen Commandments below are chosen because they have direct bearing upon unfolding developments during the period of the crisis from 2007 onwards.

[1] Thou Shalt Revive Authority in a New Guise

The starting point of neoliberalism is the admission, contrary to classical liberal doctrine, that their vision of the good society will triumph only if it becomes reconciled to the fact that the conditions for its existence must be *constructed*, and will not come about “naturally” in the absence of concerted political effort and organization. As Michel Foucault presciently observed in 1978, “Neoliberalism should not be confused with the slogan ‘laissez-faire,’ but on the contrary, should be regarded as a call to vigilance, to activism, to perpetual interventions.” The injunction *to act* in the face of inadequate epistemic warrant is the very soul of the Neoliberal Thought Collective. Classical liberalism, by contrast, disavowed this precept. The neoliberals reject “society” as solution, and revive their version of authority in new guises. This becomes transmuted into various arguments for the existence of a strong state as both producer and guarantor of a stable market society.

[2] Thou Shalt Erase Distinctions

What sort of “market” do neoliberals want to foster and protect? It may seem incredible, but historically, both the neoclassical tradition in economics and the neoliberals have both been extremely vague when it comes to analytical specification of the exact structure and character of something they both refer to as the “market” Both seem overly preoccupied with what it purportedly *does*, while remaining cavalier about what it actually *is*. For the neoliberals, this allows the avoidance of a possible deep contradiction between their constructivist tendencies and their uninflected appeal to a monolithic market that has existed throughout all history and indifferently across the globe; for how can something be “made” when it is eternal and unchanging? This is solved by increasingly erasing any distinctions among the state, society, and the market, and simultaneously insisting their political project is aimed at reformation of society by subordinating it to the market.

[3] Thou Shalt Worship “Spontaneous Order”

Even though there has not existed full consensus on just what sort of animal the market “really” is, the neoliberals did agree that, for purposes of public understanding and sloganeering, neoliberal market society must be treated as a “natural” and inexorable state of mankind. Neoliberal thought therefore spawns a strange hybrid of the “constructed” and the “natural,” where the market can be made manifest in many guises. What this meant in practice was that there grew to be a mandate that natural science metaphors must be integrated into the neoliberal narrative. It is noteworthy that MPS members began to explore the portrayal of the market as an evolutionary phenomenon long before biology displaced physics as the premier science in the modern world-picture. If the market was just an elaborate information processor, so too was the gene in its ecological niche.

Poor, unwitting animals turn out to maximize everything under the sun just like neoclassical economic agents, and cognitive science “neuroeconomics” models treat neurons as market participants. “Biopower” is deployed to render nature and our bodies more responsive to market signals. Because of this early commitment, neoliberalism was able to make appreciable inroads into such areas as “evolutionary psychology,” network sociology, ecology, animal ethology, linguistics, cybernetics, and even science studies. Neoliberalism has therefore expanded to become a comprehensive worldview, and has not been just a doctrine solely confined to economists.

With regard to the crisis, one wing of neoliberals has appealed to natural science concepts of “complexity” to suggest that markets transcend the very possibility of management of systemic risk. However, the presumed relationship of the market to nature tends to be substantially different under neoliberalism than under standard neoclassical theory. In brief, neoclassical theory has a far more static conception of market ontology than do the neoliberals. In neoclassical economics, many theoretical accounts portray the market as somehow susceptible to “incompleteness” or “failure,” generally due to unexplained natural attributes of the commodities traded: these are retailed under the rubric of “externalities,” “incomplete markets,” or other “failures.” Neoliberals conventionally reject all such recourse to defects or glitches, in favor of a narrative where evolution and/or “spontaneous order” brings the market to ever more complex states of self-realization, which may escape the ken of mere humans. This explains why neoliberals have rejected out of hand all neoclassical “market failure” explanations of the crisis.

[4] Thou Shalt Retask the State to thy Needs

A primary ambition of the neoliberal project is to redefine the shape and functions of the state, *not to destroy it*. Neoliberals thus maintain an uneasy and

troubled alliance with their sometimes fellow-travelers, the anarchists. The contradiction with which the neoliberals constantly struggle is that a strong state can just as easily thwart their program as implement it; hence they are inclined to explore new formats of techno-managerial governance that protect their ideal market from what they perceive as unwarranted political interference. Considerable efforts have been developed to disguise or otherwise condone in rhetoric and practice the importance of the strong state that neoliberals endorse in theory.

One way to exert power in restraint of democracy is to bend the state to a market logic, pretending one can replace “citizens” with “customers.” Consequently, the neoliberals seek to restructure the state with numerous audit devices (under the sign of “accountability” or the “audit society”) or impose rationalization through introduction of the “new public management”; or, better yet, convert state services to private provision on a contractual basis. Here again our commandments touch directly upon the crisis. The financial sector was one of the major sites of the outsourcing of state supervision to quasi-private organizations, such as the Financial Industry Regulation Authority (FINRA) or the credit rating agencies such as Moody’s, Fitch, and Standard & Poor’s. Indeed, the very “privatization” of the process of securitization of mortgages, which had started out in the 1960s as a government function, has become a flash point in explanations of how the financial sector lost its way.

One of the great neoliberal flimflam operations is to mask their role in power through confusion of “marketization” of government functions with the shrinking of the state: if anything, bureaucracies become more unwieldy under neoliberal regimes. Another is to imagine all manner of methods to “shackle” the state by reducing all change to prohibitive constitutional maneuvers. In practice, “deregulation” always cashes out as “reregulation,” only under a different set of ukases.

[5] Thou Shalt Redefine Democracy

Neoliberals seek to transcend the intolerable contradiction of democratic rejection of the neoliberal state by treating politics *as if* it were a market, and promoting an economic theory of “democracy.” In its most advanced manifestation, there is no separate content of the notion of citizenship other than as customer of state services. This supports the application of neoclassical economic models to previously political topics; but it also explains why the neoliberal movement must seek to consolidate political power by operating from within the state. The abstract “rule of law” is frequently conflated with or subordinated to conformity to the neoliberal vision of an ideal market. The “night watchman” version of the state is thus comprehensively repudiated: there

is no separate sphere of the market, fenced off, as it were, from the sphere of civil society. Everything is fair game for marketization.

The neoliberals generally have to bend in pretzels to deny that in their ideal state, law is a system of power and command, and is, rather, a system of neutral general rules applicable equally to all, grounded in something other than the intentional goals of some (that is, their own) group's political will. As Raymond Plant explains, for the Rothbard anarchists, this is something like natural law; for the Buchanan-style public-choice crowd, it is contract theory; for Chicago economics, it is a world where the economy is conflated with the universe of human existence; and for Hayek, it is his own idiosyncratic notion of cultural evolution. In everyday neoliberalism, the Chicago story seems to win out.

[6] Thou Shalt Become the Manager of Thyself

Neoliberalism thoroughly revises what it means to be a human person. Classical liberalism identified "labor" as the critical original human infusion that both created and justified private property. Foucault correctly identifies the concept of "human capital" as the signal neoliberal departure that undermines centuries of political thought that parlayed humanism into stories of natural rights. Not only does neoliberalism deconstruct any special status for human labor, but it lays waste to older distinctions between production and consumption rooted in the labor theory of value, and reduces the human being to an arbitrary bundle of "investments," skill sets, temporary alliances (family, sex, race), and fungible body parts. "Government of the self" becomes the taproot of all social order, even though the identity of the self-evanesces under the pressure of continual prosthetic tinkering; this is one possible way to understand the concept of "biopower." Under this regime, the individual displays no necessary continuity from one "decision" to the next. The manager of You becomes the new ghost in the machine.

Needless to say, the rise of the Internet has proven a boon for neoliberals; and not just for a certain Randroid element in Silicon Valley that may have become besotted with the doctrine. Chat rooms, online gaming, virtual social networks, and electronic financialization of household budgets have encouraged even the most intellectually challenged to experiment with the new neoliberal personhood. A world where you can virtually switch gender, imagine you can upload your essence separate from your somatic self, assume any set of attributes, and reduce your social life to an arbitrary collection of statistics on a social networking site is a neoliberal playground. The saga of dot.com billionaires, so doted over by the mass media, drives home the lesson that you don't actually have to produce anything tangible to participate in the global marketplace of the mind.

The Incredible Disappearing Agent has had all sorts of implications for neoliberal political theory. First off, the timeworn conventional complaint that economics is too pigheadedly methodologically individualist does not begin to scratch the neoliberal program. “Individuals” are merely evanescent projects from a neoliberal perspective. Neoliberalism has consequently become a scale-free Theory of Everything; something as small as a gene or as large as a nation-state is equally engaged in entrepreneurial strategic pursuit of advantage, since the “individual” is no longer a privileged ontological platform. Second, there are no more “classes” in the sense of an older political economy, since every individual is both employer and worker simultaneously; in the limit, every man should be his own business firm or corporation; this has proven a powerful tool for disarming whole swathes of older left discourse. It also appropriates an obscure historical development in American legal history—that the corporation is tantamount to personhood—and blows it up to an ontological principle.

Third, since property is no longer rooted in labor, as in the Lockean tradition, consequently property rights can be readily reengineered and changed to achieve specific *political* objectives; one observes this in the area of “intellectual property,” or in a development germane to the crisis, ownership of the algorithms that define and trade obscure complex derivatives, and better, to reduce the formal infrastructure of the marketplace itself to a commodity. Indeed, the recent transformation of stock exchanges into profit-seeking IPOs was a critical neoliberal innovation leading up to the crisis. Classical liberals treated “property” as a sacrosanct bulwark against the state; neoliberals do not. Fourth, it destroys the whole tradition of theories of “interests” as possessing empirical grounding in political thought. Clearly, we’re not in classical liberalism anymore.

[7] Thou Shalt Redefine Freedom and Knowledge

Neoliberals extol “freedom” as trumping all other virtues; but the definition of freedom is recoded and heavily edited within their frame- work. Most neoliberals insist they value “freedom” above all else; but more hairs are split in the definition of freedom than over any other neoliberal concept. It is a little hard to conceptualize freedom for an entity that displays no quiddity or persistence; and most neoliberal discussions of freedom have been cut loose from older notions of individualism.

Some neoliberals, like Milton Friedman, have refused to define “freedom” altogether (other than to divorce it from democracy), while others like Friedrich Hayek forge links to Commandment 2 by motivating it as an epistemic virtue: “the chief aim of freedom is to provide both the opportunity and the inducement to insure the maximum use of knowledge that an individual can accrue.” As this curious definition illustrates, for neoliberals, what you think a

market really is seems to determine your view of what liberty means. Almost immediately, the devil is secreted in the details, since Hayek feels he must distinguish “personal liberty” from subjective freedom, since personal liberty does not entail political liberty.

Late in life, Milton Friedman posited three species of freedom—economic, social and political—but it appears that economic freedom was the only one that mattered. Some contemporary figures such as Amartya Sen attempt to factor in your given range of choices in an index of your freedom, but neoliberals will have none of that. They seek to paint all “coercion” as evil, but without admitting into consideration any backstory of the determinants of your intentions. Everyone is treated as expressing untethered context-free hankering, as if they were born yesterday into solitary confinement; this is the hidden heritage of entrepreneurialism of the self. This commandment cashes out as: no market can ever be coercive.

In the neoliberal pantheon, freedom can only be “negative” (in the sense of Isaiah Berlin), for one very important reason. Freedom cannot be extended from the use of knowledge *in* society to the use of knowledge *about* society, because self-examination concerning why one passively accepts local and incomplete knowledge leads to contemplation of how market signals create some forms of knowledge and squelch others. Meditation upon our limitations leads to inquiry into how markets work, and meta-reflection on our place in larger orders, something that neoliberals warn is beyond our ken. Knowledge then assumes global institutional dimensions, and this undermines the key doctrine of the market as transcendental superior information processor. Conveniently, “freedom” does not extend to principled rejection of the neoliberal insurgency. Neoliberals want to insist that resistance to their program is futile, since it inevitably appeals to a spurious (from their perspective) understanding of freedom.

[8] Thou Shalt Keep thy Cronyism Cosmopolitan

Neoliberals begin with a presumption that capital has a natural right to flow freely across national boundaries. (The free flow of labor enjoys no similar right). Since that entails persistent balance-of-payments problems in a non-autarkic world, neoliberals took the lead in inventing all manner of transnational devices for the economic and political discipline of nation-states. They began by attempting to reintroduce what they considered to be pure market discipline (flexible exchange rates, dismantling capital controls) during the destruction of the Bretton Woods system, but over the longer term learned to appreciate that suitably staffed international institutions such as the World Trade Organization, the World Bank, the International Monetary Fund, and other units are better situated to impose neoliberal policies upon recalcitrant nation-states.

Initially strident demands to abolish global financial institutions on the part of early neoliberals such as Friedman and some denizens of the Cato Institute were subsequently tempered by others—such as Anne Krueger, Stanley Fischer, and Kenneth Rogoff—and as these neoliberals came to occupy these institutions, they used them primarily to influence staffing and policy decisions, and thus to displace other internationalist agendas. The role of such transnational organizations was recast to exert “lock-in” of prior neoliberal policies, and therefore to restrict the range of political options of national governments. Sometimes they were also used to displace indigenous “crony capitalists” with a more cosmopolitan breed of cronyism. Thus it is correct to observe an organic connection between such phenomena as the Washington Consensus and the spread of neoliberal hegemony. This also helps address the neoliberal conundrum of how to both hem in and at the same time obscure the strong state identified in Commandment 4.

The relevance of the rise of the neoliberal globalized financial regime to the crisis is a matter of great concern to neoliberals and to others (such as Ben Bernanke) who seek to offload responsibility for the crash onto someone else. Because there was no obvious watershed linking policy to theory comparable to Bretton Woods, and the post-1980 infrastructure of international finance grew up piecemeal, the relationship between neoliberalism and the growth of shadow and offshore banking is only beginning to be a subject of interest.

Evidence, by construction, is often inaccessible. However, the drive to offshore outsource manufacturing in the advanced economies, which was mutually symbiotic with the frustration of capital controls, was clearly a function of neoliberal doctrines concerning the unbounded benefits of freedom of international trade, combined with neoliberal projects to reengineer the corporation as an arbitrary nexus of contractual obligations, rather than as a repository of production expertise. The MPS member Anne Krueger was brought into dialogue with her fellow member Ronald Coase, and the offsprung was the flight of capital to countries such as China, India, and the Cayman Islands. The role of China as beneficiary, but simultaneously as part-time repudiator of the neoliberal globalized financial system, is a question that bedevils all concerned.

While freedom of capital flows have not generally been stressed by neoliberals as salient causes of the crisis, they do manage to unite in opposition to capital controls as one reaction to the crisis.

[9] Thou Shalt Know That Inequality is Natural

Neoliberals regard inequality of economic resources and political rights not as an unfortunate byproduct of capitalism, but a necessary functional characteristic of their ideal market system. Inequality is not only the natural state

of market economies from a neoliberal perspective, but it is actually one of its strongest motor forces for progress. Hence the rich are not parasites, but a boon to mankind. People should be encouraged to envy and emulate the rich. Demands for equality are merely the sour grapes of the losers, or if they are more generous, the atavistic holdovers of old images of justice that must be extirpated from the modern mind-set. As Hayek wrote, “The market order does not bring about any close correspondence between subjective merit or individual needs and rewards.” Indeed, this lack of correlation between reward and effort is one of the major inciters of (misguided) demands for justice on the part of the *hoi polloi*, and the failure of democratic systems to embrace the neoliberal state, as discussed in Commandment 5, above. “Social justice” is blind, because it remains forever cut off from the Wisdom of the Market. Thus, the vast worldwide trend toward concentration of income and wealth since the 1990s is the playing out of a neoliberal script to produce a more efficient and vibrant capitalism.

Here again we touch upon the recent crisis. This particular neoliberal precept dictates that the widely noted exacerbation of income inequality in the United States since 1980 cannot possibly have played a role in precipitating the crisis in any way. Indeed, attempts by the state to offset or ameliorate the trend toward inequality of wealth — especially through attempts to expand home ownership and consumer credit—become themselves, for neoliberals, major root causes of the crisis. This then gets translated into the preferred neoliberal story of the crisis, which attributes culpability to the Democrats by lodging blame for the housing bubble via securitization with Fannie Mae and Freddie Mac.

[10] Thou Shalt Not Blame Monopolies and Corporations

Corporations can do no wrong, or at least they are not to be blamed if they do. This is one of the stronger areas of divergence from classical liberalism, with its ingrained suspicion of power concentrated in joint stock companies and monopoly stretching from Adam Smith to Henry Simons. Neoliberals set out in the 1950s entertaining suspicions of corporate power, with the German ordoliberals especially concerned with the promotion of strong antitrust capacity on the part of the state. But starting with the University of Chicago law and economics movement, and then progressively spreading to treatments of entrepreneurs and the “markets for innovation,” neoliberals began to argue consistently that not only was monopoly not harmful to the operation of the market, but an epiphenomenon attributable to the misguided activities of the state and powerful interest groups. The twentieth-century socialist contention that capitalism bore within itself the seeds of its own arteriosclerosis (if not self-destruction) was baldly denied.

By the 1970s, antitrust policies were generally repudiated in the United States, as neoliberals took the curious anomaly in American case law treating corporations as legal individuals and tended to inflate it into a philosophical axiom. Indeed, if anything negative was ever said about the large corporation, it was that separation of ownership from control might conceivably pose a problem, but this was easily rectified by giving CEOs appropriate “incentives” (massive stock options, golden handshakes, latitude beyond any oversight) and instituting market-like evaluation systems within the corporate bureaucracy, rectifying “agency problems.” Thus the modern “reengineering of the corporation” (reduced vertical integration, outsourcing supply chains, outrageous recompense for top officers) is itself an artifact of the neoliberal reconceptualization of the corporation.

This had a direct bearing on the crisis, since it was used to argue against aspersions cast that many financial firms were “Too Big to Bail,” and that the upper echelons in those firms were garnishing dangerously high compensation packages. Nothing succeeds like market success, and any recourse to countervailing power must be squelched.

[11] Thou Shalt Trust the Bankers

The market (suitably reengineered and promoted) can always provide solutions to problems seemingly caused by the market in the first place. This is the ultimate destination of the constructivist orientation within neoliberalism. Any problem, economic or otherwise, has a market solution, given sufficient ingenuity: pollution is abated by the trading of “emissions permits”; inadequate public education is rectified by “vouchers”; auctions can adequately structure exclusionary communication channels; poverty-stricken sick people lacking access to health care can be incentivized to serve as guinea pigs for privatized clinical drug trials; poverty in underdeveloped nations can be ameliorated by “microloans”; terrorism by disgruntled disenfranchised foreigners can be offset by a “futures market in terrorist acts.” Suitably engineered boutique markets were touted as a superior method to solve all sorts of problems previously thought to be better organized by governments: everything from scheduling space shots to regulating the flow through airports and national parks. Economists made money by selling their nominal expertise in setting up these new markets, rarely admitting up front that they were simply acting as middlemen introducing intermediate steps toward future full privatization of the entity in question.

The fascinating aspect of all this is how this precept was deployed in what seemed its most unpropitious circumstance, the erstwhile general failure of financial markets in the global economic crisis. One perspective on the issue is to recall that, in the popular Hayekian account, the marketplace is deemed to be

a superior information processor, so therefore all human knowledge can be used to its fullest only if it is comprehensively owned and priced. This was deployed in a myriad of ways to suggest what might seem a string of strident non-sequiturs: for instance, some neoliberals actually maintained that the solution to perceived problems in derivatives and securitization was redoubled “innovation” in derivatives and securitization, and not their curtailment. Another variant on the Hayekian credo was to insist that the best people to clean up the crisis were the same bankers and financiers who created it in the first place, since they clearly embodied the best understanding of the shape of the crisis. The revolving door between the U.S. Treasury and Goldman Sachs was evidence that the market system worked, and not of ingrained corruption and conflicts of interest.

[12] Thou Shalt Redefine Crime

The neoliberal program ends up vastly expanding incarceration and the carceral sphere in the name of getting the government off our backs. Although this might seem specious from the perspective of a libertarian, it is central to understanding the fact that neoliberal policies lead to unchecked expansion of the penal sector, as has happened in the United States. As Bernard Harcourt has explained in detail, however much Commandment 11 might seem to suggest that crime be treated as just another market process, neoliberalism has moved from the treatment of crime as exogenously defined within a society by its historical evolution, to a definition of crime as inefficient attempts to circumvent the market. The implication is that intensified state power in the police sphere (and a huge expansion of prisoners incarcerated) is fully complementary with the neoliberal conception of freedom. In the opinion of the neoliberal Richard Posner, “The function of criminal sanction in a capitalist market economy, then, is to prevent individuals from bypassing the efficient market.”

This precept has some bearing on the unwillingness to pursue criminal prosecution against many of the major players in the global crisis. In this neoliberal perspective, there is also a natural stratification in what classes of law are applicable to different scofflaws: “the criminal law is designed primarily for the non-affluent; the affluent are kept in line, for the most part, by tort law.” In other words, economic competition imposes natural order on the rich, because they have so much to lose. The poor need to be kept in line by a strong state, because they have so little to lose. Hence, the spectacle of (as yet) no major financial figure outside of Bernie Madoff and Raj Rajnarathan going to jail because of the crisis, while thousands of families behind on their mortgages are turfed out into the street by the constabulary, is a direct consequence of this neoliberal precept.

[13] Thou Shalt Accommodate the Religious (Christian) Right

The neoliberals have struggled from the outset to have their political and economic theories do dual service as a moral code. First and foremost, it would appear that neoliberals worshipped at the altar of a deity without restraints. However, as Hayek once prophesized, “I am convinced that unless the breach between true liberal and religious convictions can be healed, there is no hope for a revival of liberal forces.” But his wish revealed only the antagonisms that percolated just below the surface of neoliberalism. As a consequence, the neoliberals were often tone-deaf when it came to the transcendental, conflating it with their epistemic doctrines concerning human frailty.

The more sophisticated neoliberals understood this was rather thin gruel for many of their allies on the right; so from time to time, they sought to link neoliberalism to a specific religion, although they only ventured to do this sotto voce in their in-house publications:

All that we can say is that the values we hold are the product of freedom, that in particular the Christian values had to assert themselves through men who successfully resisted coercion by government, and that it is to the desire to be able to follow one’s own moral convictions that we owe the modern safeguards of individual freedom. Perhaps we can add to this that only societies which hold moral values essentially similar to our own have survived as free societies, while in others freedom has perished.

Other neoliberals such as James Buchanan entertained the notion that a certain specific type of moral order would support a neoliberal state, or that morals could reduce the costs of rent-seeking losers throwing monkey wrenches into government. It took a lot of effort, and a fair bit of pussyfooting around the danger of alienating the partisans of one denomination (often in some other part of the world) by coquetting with different denominations or versions of religion, but the project of intellectual accommodation with the religious right and the theocons within the neoliberal framework has been an ongoing project, although one

Global Capitalism as a Narcotizing Religion

A satire can first reveal the hidden and mad rationality of an economy that feels awkward like a conviction of faith in a secular society. The above satire recalls Paul Lafargues’ little known genial satire “Religion of Capital” from 1887. There we read “Capital is the god that the whole world knows, sees, touches, smells, tastes and excites all our senses. It is the only god that does not encounter any atheists...” The other religions are nothing but lip service. Faith in capital governs in the depths of human nature (Paul Lafargue, *The Religion of Capital*).

In a visionary way, Lafargue diagnosed: “Capital does not know any homeland or border, any skin color or race or any altar or gender.

It is the international god, the universal god and forces all human children under its law (Ibid). A hierarchy of power is central, not the criticism of greed that is older than a millennium. No one can elude the pressure that starts from capital. The creed quoted at the outset formulates a conviction that is believed though not expressed. “It has taken over those functions religion had earlier for its billions of forced believers.” In the following, I will explain how neoliberal capitalism is free of legal prescriptions and instead is guided by religio-theological assumptions... It is normatively based on a religiously founded faith and in this sense it is a religion.

Religion: Between God and Idols

Up to today neither the religion-disciplines nor sociology have formulated an acknowledged definition of “religions” since the dilemma persists of defining religion as a realm of the “holy” separated from society or the world or understanding religion “functionally” in the tradition of Durkheim and Parson as a complex that creates values, rituals or faith themes for the cohesion of society. Erich Fromm took up this religion term when he defined religion as any system of thinking and acting shared by a group that offers individuals an orientating framework and an object of devotion.” [Erich Fromm, *Having or Being, The mental foundations of a new society*, 1976]. At the same time he formulated an ideology-critical task in showing “the nature of idols that were and still are worshipped to this day in the history of humanity.” [Erich Fromm, *You will be like gods. A radical interpretation of the Old Testament and its tradition*, 1989]. Religion then is in no way a system that is necessarily connected with an idea of God or recognized as a religion. In religion, the person is entrusted with an “object of devotion.”

This object of devotion could be animals, trees, an invisible God, a class, a party, money, success, the market or even a football team. Therefore religion is more than a conviction of dogmas. It orients thought and action. The all-decisive questions are political, social and ideological: What functions as religion? “Does it promote human development and the unfolding of specific human powers or paralyze human growth?” {Erich Fromm, *Psychoanalysis and Religion*, in: *Collected Works*, 1989}. Thus Fromm develops a criterion for clarifying what religion people confide in. Erich Fromm takes up a distinction between God and idols that was deeply at home in the Jewish-Christian intellectual tradition. “A religion that serves life worships God while a religion that serves destructive forces is idolatry” (Ibid). For him, “God” is a code for “love and justice” and “idol” is a code for a destructive “power over people”

(Ibid). In the biblical tradition, the idol criterion acts as an immanent criticism of destructive religion and in no way refers only disparagingly to a foreign religion of another.

Multiplying Capital as “God’s Work”

The “invisible hand” is the central metaphor for legitimating neoliberal capitalism. Only a market free from all incursions can produce optimal results. Whoever intervenes in the market – even with the best will – brings about the opposite. So the Frankfurter Allgemeiner Zeitung newspaper (FAZ) diagnosed Opel’s over-production crisis by referring to the effects of the “invisible hand” as follows: “The invisible hand caresses the one capable of adjustment and kicks those who refuse adjustment” (FAZ, 10/28/2004). The US Senate subcommittee on the financial crisis concluded: “The crisis was not a natural disaster but the result of high risk, complex financial products, hidden conflicts of interest and the failure of monitoring authorities, rating agencies and the market itself” (United States Senate Permanent subcommittee on investigations: Wall Street and the Financial Crisis, Anatomy of a Financial Collapse). Alan Greenspan who authoritatively defined American monetary policy from 1987 to the beginning of 2006 admitted this in 2008 gnashing his teeth before the congressional committee on explaining the financial crisis. He erred since he overrated the self-healing powers of the market and regarded strict regulation as unnecessary

(Alan Greenspan, Zerknirscht im Kongress, <http://www.fax.net>).

In 2008 Frank Schirrmacher, editor of FAZ, uncovered the “bankruptcy of the metaphysics of the market.” The breakdown of basic convictions that theoretically and practically supported neoliberal finance capitalism is blatant. However the paralysis over the market failure did not last long. Untouched by all criticism of the banks for causing the financial crisis, the chairman of the board of Goldman Sachs Llyod Blankfein proclaimed his faith in an invisible hand: “banks serve a social purpose and are doing ‘God’s work’” (Goldman Sachs CEO Lloyd Blankfeinh says Banks do “God’s Work.” New York *Daily News*, November 9, 2009).

Ben Bernanke, chairman of the American Federal Reserve, remained deeply religious despite the crisis and unswervingly adhered to the marvelous effect of the free market. “When one teaches the economy, understanding the idea of the invisible hand is one of the most exciting moments... Markets are a marvelous thing” (Patrick Weiter, Federal Reserve chairman Bernanke “Markets are marvelous” in: FAZ, 8/9/2012). Colin Crouch diagnosed a “surprising survival of neoliberalism” with its “supreme creed,” letting the market mechanism rule without state or other incursions (Colin Crouch, the Surprising Survival of

Neoliberalism, Berlin 2011). This surprising unswervability despite all crises can only be explained as an unswerving faith in the working of an “invisible hand.”

The “Invisible Hand” as Key Metaphor in Neoliberal Imperialism

The demand for more market and less state is the real ideological center of neoliberalism. So Milton Friedman, George Stigler and Friedrich A. Hayek rising in admiration of the “invisible hand” is not surprising. So the Nobel Prize winner and economist Friedrich August von Hayek urged “humility” toward market processes. “Whether people earlier submitted on account of notions that are often regarded today as superstitions is not important from a religious feeling of humility” (Friedrich August Hayek, *The Road to Serfdom*). The term “humility” according to its original meaning belongs to the dialectic of the relation of master and servant and describes an attitude of deep devotion and readiness to submit. Despite all secularity of modern society, George Soros recognizes a “belief in the magic power of the market.” Some think “the public interest is best served by the unrestricted pursuit of self-interest.” How did the marvelous inversion from private interests to a public interest occur thought of the “invisible Hand”?

Adam Smith and the “Invisible Hand”

In 1926 John M. Keynes in his Berlin lecture “The End of Laissez-faire” called the principle of the “invisible hand” a “religion of economists” which served nothing but “the unlimited possibility of private moneymaking” and the “profit of the individual.” Keynes criticized the ignorance of economists. “National economists today have no relation any more to theological political philosophies from which the dogma of social harmony arose and their academic research no longer leads to similar conclusions” (Keynes, John M., *The End of Laissez-faire*). In his unfortunately largely unknown 1945 treatise titled “The Failure of Economic Liberalism as a religio-historical problem” called the emphasis on the “invisible hand” an “economic theology.” Trust in a universal Creator God who guides and preserves the world in his goodness with an “invisible hand” is an expression of a religiously grounded trust in a God who governs the world to the good. The theme of “trust in the invisible hand” was theological with Adam Smith and by no means merely metaphorical or pictorial.

Even if Adam Smith only used the metaphor of the “invisible hand” in two passages, this conviction occurs frequently in his main work “*The Wealth of Nations*.” Whoever wants to enlarge his own profit will be “guided by an invisible hand to promote a goal that he has no intention of fulfilling.” Thus a “providence” transforms self-interest into public interest since the rich “are

guided by an invisible hand to accomplish almost the same distribution of vital goods that would happen if the earth were divided in equal parts among all its inhabitants and promotes them without intending this and without knowing the interests of society.” (Adam Smith, *Theory of Ethical Feelings*). Unhindered striving for private gain and advantages add up to the public interest through the providence of an “invisible hand.” A regime of selfishness is established that one can confidently trust. Whoever indulges his selfishness as much as possible only contributes to the social well-being.

Since the market is guided by an “invisible hand,” the ethical consequences resulting from the pursuit of self-interest are faded out. A tremendous revaluation process stands at the beginning of the modern age. People began to regard greed, that striving for material gain, as a harmless and even useful attitude. Greed or avarice was morally neutralized and even valued as personally advantageous. Therefore there was no reason to limit it. This de-stigmatization of greed broke with a barrier that all ancient philosophies and religions had erected since time immemorial. The vice of greed condemned since antiquity by the philosophers and religions was promoted to a morally innocent and even honorable occupation.

Greed and the economically organized insatiability that we call growth today becomes a respectable motive. There is also no perpetrator or culprit. Everyone is only a little wheel in a big machine. No one acts. They all only reenact what happens anyway because a divine providence works in the world according to Adam Smith whose kindness and wisdom invented and guided the tremendous machine of the universe since all eternity so it brings forth the greatest possible measure of happiness at all times” (Adam Smith, *Theory of Ethical Feelings*). Since God’s providence governs, one can confidently trust the invisible hand and refrain from all interventions in the market. “The management of the great system of the universe is God’s task and not a human task” (Adam Smith, *Theory of Ethical Feelings*). In his “Theory of Ethical Feelings,” Smith discusses the Stoa in detail. “The ancient Stoics were convinced every individual event was a necessary part of the world plan since the world was ruled by the providence of a wise, powerful and kindly God who promotes the general order and blessedness of the whole.

The vices and follies of human are a necessary part of the plan – like their wisdom and virtue. Bringing the good out of evil is an eternal art for the thriving and perfection of the great system of nature” (Quoted in Hans Christoph Binswanger, *The Faith Community of Economists. Essays on the Culture of the Economy*, 1998). A conflicting picture appears. Trust in the market comes out of the theologically established trust in the (deistic) God. But the market becomes an end-in-itself and is itself part of a higher order when the market as with Adam Smith is understood as part of an order guaranteed by God.

The revival of the theory of the “invisible hand” shows neoliberalism has fallen back to the state of a religiously substantiated worldview. Binswanger points out Smith struck out all references to Christianity in the sixth edition of the “Theory of Ethical Feelings.” “Adam Smith was a believer in the sense of the Stoa, not in the sense of Christianity” (Hans Christoph Binswanger, *The Faith Community of Economists*). He calls economists who argue with the effects of an “invisible hand” a “Stoic faith community.”

A theologically established faith in the “invisible hand” returns with the acceptance of neoliberal capitalism. However the original context and the religio-theological connection of this idiom were not considered. Neoliberal capitalism is religio-theologically established. This means a criticism of capitalism with theological terms is appropriate and is not irrelevant or extraneous. Therefore a capitalism criticism that does not argue religio-critically ignores the central legitimation figure of capitalism and its effect. Therefore capitalism criticism as religion criticism is a mode of enlightenment. An economy based on an “invisible hand” argues religiously in an unenlightened sense, not scholarly of scientifically.

The Religion of Capitalism as the New Opium of the People

What John M. Keynes described in 1926 as the theoretical and practical refutation of the balancing effect of an invisible hand is still true. “An orthodox faith is in danger. The more convincing the argument, the greater the blasphemy” (Keynes, John M., *The End of Laissez-faire*). The supposed lack of alternatives in the religion of capitalism sacralizes capitalism. State regulation of capitalism amounts to blasphemy. Pierre Bourdieu also interpreted the theory and concept of neoliberalism as a utopian faith system. “Neoliberalism appears in the semblance of inevitability” (Pierre Bourdieu, *The ‘Globalization’ Myth and the European Social State*, in *Gegenfeuer. Resistance against the Neoliberal Invasion*, 1998). People have no choice. Bourdieu summarizes: “This is a religion.”

The system replaces the acting subject. This is clear in one of the statements of Milton Friedman, Hayek’s student: “Economic persons are ultimately nothing but marionettes of the laws of the market” (cf. *Die Zeit*, April 7, 1989). The market is determined by divine laws, not by humans as acting subjects. Milton Friedman transferred the responsibility of economic persons to the market. The market replaces acting persons as subjects of responsibility. Thus economic actors are ethically relieved as “marionettes of the laws of the market and does not act independently. In a countermove, the market is promoted as an acting subject. There is no causal agent for economic distresses or social injustices from this economic school of thought.

The emphasis on “marionettes or practical constraints demoralizes and relieves from responsibility. Everyone must join in since there are no alternatives. The “invisible hand” legitimates an “irresponsibility that becomes a system” (Emil Brunner, 1932, Zurich). The market becomes the guarantee for ethically-normatively correct conduct of market actors. The economically-active person as a responsible subject has long abdicated. Thus the market acts like an active subject that can caress and kick and degrades the human subject to an object. The inversion of the person as historical subject to an object and the “invisible hand” to an acting subject means the abolition of the person. Karl Marx’ criticism of religion as “opium of the people” refers to a neoliberal capitalism that demands a submission of the person under a pressure without alternatives.

Capital should dominate and its central function, the infinite increase of capital, be made unrecognizable, unchangeable and unassailable. Capital should be promoted as the all-determining reality before which “the world makes a graven image and falls down before it” (Isa 44, 15). Thus biblical myth criticism becomes actual in ideology criticism where people are ruled by a “work of their hands” (Isa 17, 8). Criticism of idols turns against the subjugation of persons under self-created authorities like those of an economic system.

The fetishism of capital can be compared with idolatry like the objective antithesis of the autonomy of capitalism and God’s liberating presence in history. In the act of trust as a genuine religious act, a structural analogy appears between the trust in God in religion and trust in money. This structural analogy occurs in the application of religious and theological terms by neoliberal theoreticians. Capitalism is religion and not merely like a religion. Its cult is capital multiplication.

Sacrificial Religion of Finance Market-Driven Capitalism

Finance market capitalism is a formation of capitalism that has prevailed since the middle of the 1970s and took down previous market limiting institutions through privatization, deregulation and flexibility. The profit-mongering (Plus-macherei) was always the central desire: “Accumulate, accumulate! That is Moses and the prophets!” What is new in finance market driven casino capitalism is that it wants to receive capital movements on the international capital market from dependence on the profits of real businesses.

Karl Marx’ well-known formula G-W-G (money-goods-money) is shortened in finance market driven capitalism to a direct G-G (money-money) (Christoph Deutschmann, *The Promise of Absolute Wealth. On the Religious Nature of Capitalism*, 1999). The economist Hans Werner Sinn said: “Germany must court business capital because innovation, growth and jobs can only be

guaranteed that way” (WSM News, 10/30/2005). The financial crisis is the result of a policy that courts capital. The interests of shareholders become the only goal of economic transactions. This strategic goal ruins the profit exploitation goals for employees and “produces” precarious forms of employment like low wages, subcontracted labor, employment limited in time or mini-jobs to employment flexibly adjusted to the demands of the market.

The alleged lack of alternatives to adjustment to the market reminds Christoph Deutschmann of atoning or expiating religious rituals. “As to the prescriptions of sacrifice (for example, here reduction of unemployment, there falling rain implored by the gods), the answer always consists in the demand for increasing sacrificial offerings, not in a testing of the functionality of the sacrifice (here: more wage- and social budget cuts on one hand, productivity increases on the other hand: offering additional sacrificial goods to finally pacify the angry gods). In both cases, the cause-effect chains are staged circularly and thereby are immune to empirical criticism (Christoph Deutschmann, *The Promise of Absolute Wealth. On the Religious Nature of Capitalism*, 1999).

While capital profits are fixed at 16, 18 or even 25% despite crises, the employees become a flexible maneuverable mass for ensuring the fixed profit goal. This precariousness is essentially a social power of finance capitalist actors, not a consequence of a logic of the market that could be executed by very small businesses (Klaus Borge, Precariousness in Finance Market Capitalism, in: R. Castel/ K. Duerre (ed), Precariousness, Descent and Exclusion. The social question at the beginning of the 21st century, 2009). The pressure on the real economy and skimming off current profits have produced play money for the finance casino. In the last years, there was a massive redistribution of social wealth in many industrial states – benefiting capital profits and at the expense of mass income. The precariousness of work, the extension of working hours and the reduction of social security are real sacrifices forced on dependent employees for extra profits of shareholders. According to Marx, the sacrifices in capitalism are wicked. The sacrificial cult does not belong to a past religious epoch. “An idol is made out of these metals (gold and silver)... to make them deities to which more goods, important needs and even humans are sacrificed than blind antiquity ever sacrificed to its false gods” (Karl Marx, MEW 13, 103). In the inaugural address of the International Workers’ Association in September 1864, Karl Marx addressed this sacrificial character of the religion of capitalism and quoted smug complacent scholars who said “every legal restriction of the workday must ring the death-bells of British industry that like vampires cannot live without blood, children’s blood. In all times, infanticide or child murder was a mysterious rite of the religion of Moloch.

However this was only practical on very solemn occasions, perhaps once a year. At that time Moloch did not have an exclusive special liking for the

children of the poor” (Karl Marx, *Selected Writings*, 1934). Thus for Marx, capitalism has become a system and the sacrificial cult is in no way an overcome pre-modern or unenlightened epoch of humanity’s history. The trust in the “invisible hand” is a trust in a religion that has a money god. Capital and its multiplication claim an all-determining authority. The notion of self-regulating finance markets that function efficiently was refuted by the crisis.

The central ideological motive of faith in the “invisible hand” is veiled. However the cynical condition that bars alternatives and demand sacrifices can only be unmasked through a theological criticism of the religion of capitalism because the false fetishized worship of God makes possible and legitimates sacrifice for capital. At the beginning of the 1980s, theologians of liberation reacted to the disastrous effects of the neoliberal economy particularly in Latin America by unmasking capitalism as a false and destructive (church) service.

Now it is time to air a theological criticism of the mechanisms of the religion of the market when the consequences are very clear in the economic and political centers. Neoliberal capitalism is not only a religion in a metaphorical sense. It is a religion that demands real human sacrifice as inevitable. With this, religion criticism has another object. Not believing the supposed secularism of the world religion of globalized capital becomes the challenge of the enlightenment. Only an enlightenment about the economy with the means of religion helps against a capitalism as religion. In the Roman Empire, there was a Pantheon full of gods. Whoever refused the central cult, the worship of the emperor as God’s Son was persecuted like Christians as “atheists.” As Christians at that time refused the worship of the religion of the imperial cult, so they must resist today the religion of narcotizing capitalism as atheists.

Exposing the Disempowering Transnational Ruling Class

Professor Peter Phillips and Kimberly Soeiro have raised critical questions concerning the strategies used to render the weak in the global system powerless such as: Who are the world’s 1 percent power elite? And to what extent do they operate in unison for their own private gains over benefits for the 99 percent? We examine a sample of the 1 percent: the extractor sector, whose companies are on the ground extracting material from the global commons, and using low-cost labor to amass wealth. These companies include oil, gas, and various mineral extraction organizations, whereby the value of the material removed far exceeds the actual cost of removal. We also examine the investment sector of the global 1 percent: companies whose primary activity is the amassing and reinvesting of capital. This sector includes global central banks, major investment money management firms, and other companies whose primary efforts are the concentration and expansion of money, such as insurance

companies. Finally, we analyze how global networks of centralized power—the elite 1 percent, their companies, and various governments in their service—plan, manipulate, and enforce policies that benefit their continued concentration of wealth and power. We demonstrate how the US/NATO military-industrial-media empire operates in service to the transnational corporate class for the protection of international capital in the world.

The Occupy Movement has developed a mantra that addresses the great inequality of wealth and power between the world's wealthiest 1 percent and the rest of us, the other 99 percent. While the 99 percent mantra undoubtedly serves as a motivational tool for open involvement, there is little understanding as to who comprises the 1 percent and how they maintain power in the world. Though a good deal of academic research has dealt with the power elite in the United States, only in the past decade and half has research on the transnational corporate class begun to emerge (Mills, 1956).

Foremost among the early works on the idea of an interconnected 1 percent within global capitalism was Leslie Sklair's 2001 book, *The Transnational Capitalist Class* (Sklair, 2001). Sklair believed that globalization was moving transnational corporations (TNC) into broader international roles, whereby corporations' states of origin became less important than international agreements developed through the World Trade Organization and other international institutions. Emerging from these multinational corporations was a transnational capitalist class, whose loyalties and interests, while still rooted in their corporations, was increasingly international in scope. Sklair (2000) writes:

The transnational capitalist class can be analytically divided into four main fractions: (i) owners and controllers of TNCs and their local affiliates; (ii) globalizing bureaucrats and politicians; (iii) globalizing professionals; (iv) consumerist elites (merchants and media). . . . It is also important to note, of course, that the TCC [transnational corporate class] and each of its fractions are not always entirely united on every issue. Nevertheless, together, leading personnel in these groups constitute a global power elite, dominant class or inner circle in the sense that these terms have been used to characterize the dominant class structures of specific countries.

Estimates are that the total world's wealth is close to \$200 trillion, with the US and Europe holding approximately 63 percent. To be among the wealthiest half of the world, an adult needs only \$4,000 in assets once debts have been subtracted. An adult requires more than \$72,000 to belong to the top 10 percent of global wealth holders, and more than \$588,000 to be a member of the top 1 percent. As of 2010, the top 1 percent of the wealthiest people in the world had hidden away between \$21 trillion to \$32 trillion in secret tax exempt bank accounts spread all over the world (BBC News, 2012). Meanwhile, the poorest

half of the global population together possesses less than 2 percent of global wealth (Durgen, 2010).

The World Bank reports that, in 2008, 1.29 billion people were living in extreme poverty, on less than \$1.25 a day, and 1.2 billion more were living on less than \$2.00 a day (World Bank, 2012). Starvation.net reports that 35,000 people, mostly young children, die every day from starvation in the world (Ellis, 2012). The numbers of unnecessary deaths have exceeded 300 million people over the past forty years. Farmers around the world grow more than enough food to feed the entire world adequately. Global grain production yielded a record 2.3 billion tons in 2007, up 4 percent from the year before—yet, billions of people go hungry every day. Grain.org describes the core reasons for ongoing hunger in a recent article, “Corporations Are Still Making a Killing from Hunger”: while farmers grow enough food to feed the world, commodity speculators and huge grain traders like Cargill control global food prices and distribution” (Grain.org, 2012). Addressing the power of the global 1 percent—identifying who they are and what their goals are—are clearly life and death questions.

It is also important to examine the questions of how wealth is created, and how it becomes concentrated. Historically, wealth has been captured and concentrated through conquest by various powerful entities. One need only look at Spain’s appropriation of the wealth of the Aztec and Inca empires in the early sixteenth century for an historical example of this process. The histories of the Roman and British empires are also filled with examples of wealth captured.

Once acquired, wealth can then be used to establish means of production, such as the early British cotton mills, which exploit workers’ labor power to produce goods whose exchange value is greater than the cost of the labor, a process analyzed by Karl Marx (1991/1894) in *Capital*. A human being is able to produce a product that has a certain value. Organized business hires workers who are paid below the value of their labor power. The result is the creation of what Marx called surplus value, over and above the cost of labor. The creation of surplus value allows those who own the means of production to concentrate capital even more. In addition, concentrated capital accelerates the exploitation of natural resources by private entrepreneurs—even though these natural resources are actually the common heritage of all living beings (Burkett, 1999).

We ask: Who are the world’s 1 percent power elite? And to what extent do they operate in unison for their own private gains over benefits for the 99 percent? We will examine a sample of the 1 percent: the extractor sector, whose companies are on the ground extracting material from the global commons, and using low-cost labor to amass wealth. These companies include oil, gas, and

various mineral extraction organizations, whereby the value of the material removed far exceeds the actual cost of removal.

We will also examine the investment sector of the global 1 percent: companies whose primary activity is the amassing and reinvesting of capital. This sector includes global central banks, major investment money management firms, and other companies whose primary efforts are the concentration and expansion of money, such as insurance companies.

Finally, we analyze how global networks of centralized power—the elite 1 percent, their companies, and various governments in their service—plan, manipulate, and enforce policies that benefit their continued concentration of wealth and power.

The Extractor Sector: The Case of Freeport-McMoRan (FCX)

Freeport-McMoRan (FCX) is the world's largest extractor of copper and gold. The company controls huge deposits in Papua, Indonesia, and also operates in North and South America, and in Africa. In 2010, the company sold 3.9 billion pounds of copper, 1.9 million ounces of gold, and 67 million pounds of molybdenum. In 2010, Freeport-McMoRan reported revenues of \$18.9 billion and a net income of \$4.2 billion (Freeport-McMoRan Copper and Gold, 2011).

The Grasberg mine in Papua, Indonesia, employs 23,000 workers at wages below three dollars an hour. In September 2011, workers went on strike for higher wages and better working conditions. Freeport had offered a 22 percent increase in wages, and strikers said it was not enough, demanding an increase to an international standard of seventeen to forty-three dollars an hour. The dispute over pay attracted local tribesmen, who had their own grievances over land rights and pollution; armed with spears and arrows, they joined Freeport workers blocking the mine's supply roads (*Reuters Africa*, 2011). During the strikers' attempt to block busloads of replacement workers, security forces financed by Freeport killed or wounded several strikers.

Freeport has come under fire internationally for payments to authorities for security. Since 1991, Freeport has paid nearly thirteen billion dollars to the Indonesian government—one of Indonesia's largest sources of income—at a 1.5 percent royalty rate on extracted gold and copper, and, as a result, the Indonesian military and regional police are in their pockets. In October 2011, the *Jakarta Globe* reported that Indonesian security forces in West Papua, notably the police, receive extensive direct cash payments from Freeport-McMoRan. Indonesian National Police Chief Timur Pradopo admitted that officers received close to ten million dollars annually from Freeport, payments Pradopo described as “lunch money.” Prominent Indonesian nongovernmental

organization Imparsial puts the annual figure at fourteen million dollars (Frank Arnaz, 2011). These payments recall even larger ones made by Freeport to Indonesian military forces over the years which, once revealed, prompted a US Security and Exchange Commission investigation of Freeport's liability under the United States' Foreign Corrupt Practices Act.

In addition, the state's police and army have been criticized many times for human rights violations in the remote mountainous region, where a separatist movement has simmered for decades. Amnesty International has documented numerous cases in which Indonesian police have used unnecessary force against strikers and their supporters. For example, Indonesian security forces attacked a mass gathering in the Papua capital, Jayapura, and striking workers at the Freeport mine in the southern highlands. At least five people were killed and many more injured in the assaults, which shows a continuing pattern of overt violence against peaceful dissent. Another brutal and unjustified attack on October 19, 2011, on thousands of Papuans exercising their rights to assembly and freedom of speech, resulted in the death of at least three Papuan civilians, the beating of many, the detention of hundreds, and the arrest of six, reportedly on treason charges (*Amnesty International News*, 2011).

On November 7, 2011, the *Jakarta Globe* reported that “striking workers employed by Freeport-McMoRan Copper & Gold's subsidiary in Papua have dropped their minimum wage increase demands from \$7.50 to \$4.00 an hour, the All-Indonesia Workers Union (SPSI) said” (Camelia Pasandaran, 2011). Virgo Solosa, an official from the union, told the *Jakarta Globe* that they considered the demands, up from the (then) minimum wage of \$1.50 an hour, to be “the best solution for all.”

Workers at Freeport's Cerro Verde copper mine in Peru also went on strike around the same time, highlighting the global dimension of the Freeport confrontation. The Cerro Verde workers demanded pay raises of 11 percent, while the company offered just 3 percent. The Peruvian strike ended on November 28, 2011 (Alex Emery, 2011). And on December 14, 2011, Freeport-McMoRan announced a settlement at the Indonesian mine, extending the union's contract by two years. Workers at the Indonesia operation are to see base wages, which currently start at as little as \$2.00 an hour, rise 24 percent in the first year of the pact and 13 percent in the second year. The accord also includes improvements in benefits and a one-time signing bonus equivalent to three months of wages (Eric Bellman and Tess Stynes, 2011).

In both Freeport strikes, the governments pressured strikers to settle. Not only was domestic military and police force evident, but also higher levels of international involvement. Throughout the Freeport-McMoRan strike, the Obama administration ignored the egregious violation of human rights and instead advanced US-Indonesian military ties. US Secretary of Defense Leon

Panetta, who arrived in Indonesia in the immediate wake of the Jayapura attack, offered no criticism of the assault and reaffirmed US support for Indonesia's territorial integrity. Panetta also reportedly commended Indonesia's handling of a weeks-long strike at Freeport-McMoRan (Pakage, 2012).

US President Barack Obama visited Indonesia in November 2011 to strengthen relations with Jakarta as part of Washington's escalating efforts to combat Chinese influence in the Asia-Pacific region. Obama had just announced that the US and Australia would begin a rotating deployment of 2,500 US Marines to a base in Darwin, a move ostensibly to modernize the US posture in the region, and to allow participation in "joint training" with Australian military counterparts. But some speculate that the US has a hidden agenda in deploying marines to Australia. The Thai newspaper *The Nation* (2011) has suggested that one of the reasons why US Marines might be stationed in Darwin could be that they would provide remote security assurance to US-owned Freeport-McMoRan's gold and copper mine in West Papua, less than a two-hour flight away.

The fact that workers at Freeport's Sociedad Minera Cerro Verde copper mine in Peru were also striking at the same time highlights the global dimension of the Freeport confrontation. The Peruvian workers are demanding pay rises of eleven percent, while the company has offered just three percent. The strike was lifted on November 28, 2011.

In both Freeport strikes, the governments pressured strikers to settle. Not only was domestic military and police force evident, but also higher levels of international involvement. The fact that the US Secretary of Defense mentioned a domestic strike in Indonesia shows that the highest level of power are in play on issues affecting the international corporate 1 percent and their profits.

Public opinion is strongly against Freeport in Indonesia. On August 8, 2011, Karishma Vaswani of the BBC reported that "the US mining firm Freeport-McMoRan has been accused of everything from polluting the environment to funding repression in its four decades working in the Indonesian province of Papua. . . . Ask any Papuan on the street what they think of Freeport and they will tell you that the firm is a thief, said Nelels Tebay, a Papuan pastor and coordinator of the Papua Peace Network."

Freeport strikers won support from the US Occupy movement. Occupy Phoenix and East Timor Action Network activists marched to Freeport headquarters in Phoenix on October 28, 2011, to demonstrate against the Indonesian police killings at Freeport-McMoRan's Grasberg mine.

Freeport-McMoRan (FCX) chairman of the board James R. Moffett owns over four million shares with a value of close to \$42.00 each. According to the FCX annual meeting report released in June 2011, Moffett's annual compensation from FCX in 2010 was \$30.57 million. Richard C. Adkerson,

president of the board of FCX, owns over 5.3 million shares. His total compensation in was also \$30.57 million in 2010 Moffett's and Adkerson's incomes put them in the upper levels of the world's top 1 percent. Their interconnectedness with the highest levels of power in the White House and the Pentagon, as indicated by the specific attention given to them by the US secretary of defense, and as suggested by the US president's awareness of their circumstances, leaves no doubt that Freeport-McMoRan executives and board are firmly positioned at the highest levels of the transnational corporate class.

Freeport-McMoRan's Board of Directors

James R. Moffett—Corporate and policy affiliations: cochairman, president, and CEO of McMoRan Exploration Co.; PT Freeport Indonesia; Madison Minerals Inc.; Horatio Alger Association of Distinguished Americans; Agrico, Inc.; Petro-Lewis Funds, Inc.; Bright Real Estate Services, LLC; PLC-ALPC, Inc.; FM Services Co.

Richard C. Adkerson—Corporate and policy affiliations: Arthur Anderson Company; chairman of International Council on Mining and Metals; executive board of the International Copper Association, Business Council, Business Roundtable, Advisory Board of the Kissinger Institute, Madison Minerals Inc.

Robert Allison Jr.—Corporate affiliations: Anadarko Petroleum (2010 revenue: \$11 billion); Amoco Projection Company.

Robert A. Day—Corporate affiliations: CEO of W. M. Keck Foundation (2010 assets: more than \$1 billion); attorney in Costa Mesa, California.

Gerald J. Ford—Corporate affiliations: Hilltop Holdings Inc., First Acceptance Corporation, Pacific Capital Bancorp (Annual Sales \$13 billion), Golden State Bancorp, FSB (federal savings bank that merged with Citigroup in 2002) Rio Hondo Land & Cattle Company (annual sales \$1.6 million), Diamond Ford, Dallas (sales: \$200 million), Scientific Games Corp., SWS Group (annual sales: \$422 million); American Residential Cmnts LLC.

H. Devon Graham Jr.—Corporate affiliations: R. E. Smith Interests (an asset management company; income: \$670,000).

Charles C. Krulak—Corporate and governmental affiliations: president of Birmingham-South College; commandant of the Marine Corp, 1995–1999; MBNA Corp.; Union Pacific Corporation (annual sales: \$17 billion); Phelps Dodge (acquired by FCX in 2007).

Bobby Lee Lackey—Corporate affiliations: CEO of McManusWyatt-Hidalgo Produce Marketing Co.

Jon C. Madonna—Corporate affiliations: CEO of KPMG, (professional services auditors; annual sales: \$22.7 billion); AT&T (2011 revenue: \$122 billion); Tidewater Inc. (2011 revenue: \$1.4 billion).

Dustan E. McCoy—Corporate affiliations: CEO of Brunswick Corp. (revenue: \$4.6 billion); Louisiana-Pacific Corp. (2011 revenue: \$1.7 billion).

B. M. Rankin Jr.—Corporate affiliations: board vice chairman of FCX; cofounder of McMoRan Oil and Gas in 1969.

Stephen Siegele—Corporate affiliations: founder/CEO of Advanced Delivery and Chemical Systems Inc.; Advanced Technology Solutions; Flourine on Call Ltd.

The board of directors of Freeport-McMoRan represents a portion of the global 1 percent who not only control the largest gold and copper mining company in the world, but who are also interconnected by board membership with over two dozen major multinational corporations, banks, foundations, military, and policy groups. This twelve-member board is a tight network of individuals who are interlocked with—and influence the policies of—other major companies controlling approximately \$200 billion in annual revenues.

Freeport-McMoRan exemplifies how the extractor sector acquires wealth from the common heritage of natural materials—which rightfully belongs to us all—by appropriating the surplus value of working people's labor in the theft of our commons. This process is protected by governments in various countries where Freeport maintains mining operations, with the ultimate protector being the military empire of the US and the North Atlantic Treaty Organization (NATO). Further, Freeport-McMoRan is connected to one of the most elite transnational capitalist groups in the world: over 7 percent of Freeport's stock is held by BlackRock, Inc., a major investment management firm based in New York City.

The Investment Sector: The Case of BlackRock, Inc.

Internationally, many firms operate primarily as investment organizations, managing capital and investing in other companies. These firms often do not actually make anything except money, and are keen to prevent interference with return on capital by taxation, regulations, and governmental interventions anywhere in the world.

BlackRock, based in Manhattan, is the largest assets management firm in the world, with over 10,000 employees and investment teams in twenty-seven countries. Their client base includes corporate, public, union, and industry pension plans; governments; insurance companies; third-party mutual funds; endowments; foundations; charities; corporations; official institutions; sovereign wealth funds; banks; financial professionals; and individuals worldwide. BlackRock acquired Barclay Global Investors in December of 2009. As of March 2012, BlackRock manages assets worth \$3.68 trillion in equity,

fixed income, cash management, alternative investment, real estate, and advisory strategies.

In addition to Freeport-McMoRan, BlackRock has major holdings in Chevron (49 million shares, 2.5 percent), Goldman Sachs Group (13 million shares, 2.7 percent), Exxon Mobil (121 million shares, 2.5 percent), Bank of America (251 million shares, 2.4 percent), Monsanto Company (12 million shares, 2.4 percent), Microsoft Corp. (185 million shares, 2.2 percent), and many more (StreetInsider.com). BlackRock manages investments of both public and private funds, including California Public Employee's Retirement System, California State Teacher's Retirement System, Freddie Mac, Boy Scouts of America, Boeing, Sears, Verizon, Raytheon, PG&E, NY City Retirement Systems, LA County Employees Retirement Association, GE, Cisco, and numerous others.

According to BlackRock's April 2011 annual report to stockholders, the board of directors consists of eighteen members. The board is classified into three equal groups—Class I, Class II, and Class III—with terms of office of the members of one class expiring each year in rotation. Members of one class are generally elected at each annual meeting and serve for full three-year terms, or until successors are elected and qualified. Each class consists of approximately one-third of the total number of directors constituting the entire board of directors.

BlackRock has stockholder agreements with Merrill Lynch & Co., Inc., a wholly owned subsidiary of Bank of America Corporation; and Barclays Bank PLC and its subsidiaries. Two to four members of the board are from BlackRock management; one director is designated by Merrill Lynch; two directors, each in a different class, are designated by PNC Bank; two directors, each in a different class, are designated by Barclays; and the remaining directors are independent.

Black Rock's Board of Directors

Class I Directors (terms expire in 2012):

William S. Demchak—Corporate affiliations: senior vice chairman of PNC (assets: \$271 billion); J. P. Morgan Chase & Co. (2011 assets: \$2.2 trillion).

Kenneth B. Dunn, PhD—Corporate and institutional affiliations: professor of financial economics at the David A. Tepper School of Business at Carnegie Mellon University; former managing director of Morgan Stanley Investment (assets: \$807 billion).

Laurence D. Fink—Corporate and institutional affiliations: chairman/CEO of BlackRock; trustee of New York University; trustee of Boys Club of NY.

Robert S. Kapito—Corporate and institutional affiliations: president of BlackRock; trustee of Wharton School University of Pennsylvania.

Thomas H. O'Brien—Corporate affiliations: former CEO of PNC; Verizon Communications, Inc. (2011 revenue: \$110 billion).

Ivan G. Seidenberg—Corporate and policy affiliations: board chairman of Verizon Communications; former CEO of Bell Atlantic; Honeywell International Inc. (2010 revenue: \$33.3 billion); Pfizer Inc. (2011 revenue: \$64 billion); chairman of the Business Roundtable; National Security Telecommunications Advisory Committee; President's Council of the New York Academy of Sciences.

Class II Directors (terms expire in 2013):

Abdlatif Yousef Al-Hamad—Corporate and institutional affiliations: board chairman of Arab Fund for Economic and Social Development (assets: \$2.7 trillion); former Minister of Finance and Minister of Planning of Kuwait, Kuwait Investment Authority. Multilateral Development Banks, International Advisory Boards of Morgan Stanley, Marsh & McLennan Companies, Inc., American International Group, Inc. and the National Bank of Kuwait.

Mathis Cabiallavetta—Corporate affiliations: Swiss Reinsurance Company (2010 revenue: \$28 billion); CEO of Marsh & McLennan Companies Inc. (2011 revenue: \$11.5 billion); Union Bank of Switzerland-UBS A.G. (2012 assets: \$620 billion); Philip Morris International Inc. (2010 revenue: \$27 billion).

Dennis D. Dammerman—Corporate affiliations: General Electric Company (2012 revenue: \$147 billion); Capmark Financial Group Inc. (formerly GMAC); American International Group (AIG) (2010 revenue: \$77 billion); Genworth Financial (2010 assets: \$100 billion); Swiss Reinsurance Company (2012 assets: \$620 billion); Discover Financial Services (2011 revenue: \$3.4 billion).

Robert E. Diamond Jr.—Corporate and policy affiliations: CEO of Barclays (2011 revenue: \$32 billion); International Advisory Board of the British-American Business Council.

David H. Komansky—Corporate affiliations: CEO of Merrill Lynch (division of Bank of America 2009) (2011 assets management: \$2.3 trillion); Burt's Bees, Inc. (owned by Clorox); WPP Group plc (2011 revenue: \$15 billion).

James E. Rohr—Corporate affiliations: CEO of PNC (2011 revenue: \$14 billion).

James Grosfeld—Corporate affiliations: CEO of Pulte Homes, Inc. (2010 revenue: \$4.5 billion); Lexington Realty Trust (2011 assets: \$1.2 billion).

Sir Deryck Maughan—Corporate and policy affiliations: Kohlberg Kravis Roberts (2011 assets: \$8.6 billion); former CEO of Salomon Brothers from 1992

to 1997 a Chairman of the US-Japan Business Council; GlaxoSmithKline plc (2011 revenue: \$41 billion); Thomson Reuters Corporation (2011 revenue: \$13.8 billion).

Thomas K. Montag—Corporate affiliations: president of Global Banking & Markets for Bank of America (2011 revenue: \$94 billion); Merrill Lynch (division of Bank of America, 2009; 2011 assets management: \$2.3 trillion); Goldman Sachs (2011 revenue: \$28.8 billion).

Class III Directors (terms expire in 2014):

Murry S. Gerber—Corporate affiliations: executive chairman of EQT (2010 revenue: \$1.3 billion); Halliburton Company.

Linda Gosden Robinson—Corporate affiliations: former CEO of Robinson Lerer & Montgomery; Young & Rubicam Inc.; WPP Group plc. (2011 revenue: \$15 billion); Revlon, Inc. (2011 revenue: \$1.3 billion).

John S. Varley—Corporate affiliations: CEO of Barclays (2011 revenue: \$32 billion); AstraZeneca PLC (2011 revenue: \$33.5 billion).

BlackRock is one of the most concentrated power networks among the global 1 percent. The eighteen members of the board of directors are connected to a significant part of the world's core financial assets. Their decisions can change empires, destroy currencies, and impoverish millions. Some of the top financial giants of the capitalist world are connected by interlocking boards of directors at BlackRock, including Bank of America, Merrill Lynch, Goldman Sachs, PNC Bank, Barclays, Swiss Reinsurance Company, American International Group (AIG), UBS A.G., Arab Fund for Economic and Social Development, J. P. Morgan Chase & Co., and Morgan Stanley.

A 2011 University of Zurich study, research completed by Stefania Vitali, James B. Glattfelder, Stefano Battiston (2011) at the Swiss Federal Institute, reports that a small group of companies—mainly banks—wields huge power over the global economy. Using data from Orbis 2007, a database listing thirty-seven million companies and investors, the Swiss researchers applied mathematical models—usually used to model natural systems—to the world economy. The study is the first to look at all 43,060 transnational corporations and the web of ownership between them. The research created a “map” of 1,318 companies at the heart of the global economy. The study found that 147 companies formed a “super entity” within this map, controlling some 40 percent of its wealth. The top twenty-five of the 147 super-connected companies includes:

1. Barclays PLC*
2. Capital Group Companies Inc.
3. FMR Corporation
4. AXA

5. State Street Corporation
6. J. P. Morgan Chase & Co.*
7. Legal & General Group PLC
8. Vanguard Group Inc.
9. UBS AG
10. Merrill Lynch & Co. Inc.*
11. Wellington Management Co. LLP
12. Deutsche Bank AG
13. Franklin Resources Inc.
14. Credit Suisse Group*
15. Walton Enterprises LLC
16. Bank of New York Mellon Corp
17. Natixis
18. Goldman Sachs Group Inc.*
19. T Rowe Price Group Inc.
20. Legg Mason Inc.
21. Morgan Stanley*
22. Mitsubishi UFJ Financial Group Inc.
23. Northern Trust Corporation
24. Société Générale
25. Bank of America Corporation*

* BlackRock Directors

Notably, for our purposes, BlackRock board members have direct connections to at least seven of the top twenty-five corporations that Vitali et al. identify as an international “super entity.” BlackRock’s board has direct links to seven of the twenty-five most interconnected corporations in the world. BlackRock’s eighteen board members control and influence tens of trillions of dollars of wealth in the world and represent a core of the super-connected financial sector corporations.

Below is a sample cross section of key figures and corporate assets among the global economic “super entity” identified by Vitali et al.

Other Key Figures and Corporate Connections within the Highest Levels of the Global Economic “Super Entity”

Capital Group Companies—Privately held, based in Los Angeles, manages \$1 trillion in assets.

FMR—One of the world’s largest mutual fund firms, managing \$1.5 trillion in assets and serving more than twenty million individual and institutional clients; Edward C. (Ned) Johnson III, Chairman and CEO.

AXA—Manages \$1.5 trillion in assets, serving 101 million clients; Henri de Castries, CEO AXA, and Director, Nestlé (Switzerland).

State Street Corporation—Operates from Boston with asset management at \$1.9 trillion; directors include Joseph L. Hooley, CEO of State Street Corporation; Kennett F. Burnes, retired chairman and CEO of Cabot Corporation (2011 revenue: \$3.1 billion).

JP Morgan/Chase (2011 assets: \$2.3 trillion)—Board of directors: James A. Bell, retired executive VP of The Boeing Company; Stephen B. Burke, CEO of NBC Universal, and executive VP of Comcast Corporation; David M. Cote, CEO of Honeywell International, Inc.; Timothy P. Flynn, retired chairman of KPMG International; and Lee R. Raymond, retired CEO of Exxon Mobil Corporation.

Vanguard (2011 assets under management: \$1.6 trillion)—Directors: Emerson U. Fullwood, VP of Xerox Corporation; JoAnn Heffernan Heisen, VP of Johnson & Johnson, Robert Wood Johnson Foundation; Mark Loughridge, CFO of IBM, Global Financing; Alfred M. Rankin Jr., CEO of NACCO Industries, Inc., National Association of Manufacturers, Goodrich Corp, and chairman of Federal Reserve Bank of Cleveland.

UBS AG (2012 assets: \$620 billion)—Directors include: Michel Demaré, board member of Syngenta and the IMD Foundation (Lausanne); David Sidwell, former CFO of Morgan Stanley.

Merrill Lynch (Bank of America) (2011 assets management: \$2.3 trillion)—Directors include: Brian T. Moynihan, CEO of Bank of America; Rosemary T. Berkery, general counsel for Bank of America/Merrill Lynch (formerly Merrill Lynch & Co., Inc.), member of New York Stock Exchange's Legal Advisory Committee, director at Securities Industry and Financial Markets Association; Mark A. Ellman, managing director of Credit Suisse, First Boston; Dick J. Barrett, cofounder of Ellman Stoddard Capital Partners, MetLife, Citi Group, UBS, Carlyle Group, ImpreMedia, Verizon Communications, Commonwealth Scientific and Industrial Research Org, Fluor Corp, Wells Fargo, Goldman Sachs Group.

The directors of these super-connected companies represent a small portion of the global 1 percent. Most people with assets in excess of \$588,000 are not major players in international finance. At best, they hire asset management firms to produce a return on their capital. Often their net worth is tied up in nonfinancial assets such a real estate and businesses.

TCC and Global Power

So how does the transnational corporate class (TCC) maintain wealth concentration and power in the world? The wealthiest 1 percent of the world's

population represents approximately forty million adults. These forty million people are the richest segment of the first tier populations in the core countries and intermittently in other regions. Most of this 1 percent have professional jobs with security and tenure working for or associated with established institutions. Approximately ten million of these individuals have assets in excess of one million dollars, and approximately 100,000 have financial assets worth over thirty million dollars. Immediately below the 1 percent in the first tier are working people with regular employment in major corporations, government, self-owned businesses, and various institutions of the world.

This first tier constitutes about 30–40 percent of the employed in the core developed countries, and some 30 percent in the second tier economies and down to 20 percent in the periphery economies (sometimes referred to as the 3rd world). The second tier of global workers represents growing armies of casual labor: the global factory workers, street workers, and day laborers intermittently employed with increasingly less support from government and social welfare organizations. These workers, mostly concentrated in the megacities, constitute some 30–40 percent of the workers in the core industrialized economies and some 20 percent in the second tier and peripheral economies. This leaves a third tier of destitute people worldwide ranging from 30 percent of adults in the core and secondary economies to fully 50 percent of the people in peripheral countries who have extremely limited income opportunities and struggle to survive on a few dollars a day. These are the 2.5 billion people who live on less than two dollars a day, die by the tens of thousands every day from malnutrition and easily curable illnesses, and who have probably never even heard a dial tone (Robinson and Harris, 2000).

As seen in our extractor sector and investment sector samples, corporate elites are interconnected through direct board connections with some seventy major multinational corporations, policy groups, media organizations, and other academic or nonprofit institutions. The investment sector sample shows much more powerful financial links than the extractor sample; nonetheless, both represent vast networks of resources concentrated within each company's board of directors. The short sample of directors and resources from eight other of the superconnected companies replicates this pattern of multiple board corporate connections, policy groups, media and government, controlling vast global resources. These interlock relationships recur across the top interconnected companies among the transnational corporate class, resulting in a highly concentrated and powerful network of individuals who share a common interest in preserving their elite domination.

Sociological research shows that interlocking directorates have the potential to facilitate political cohesion. A sense of a collective “we” emerges within such power networks, whereby members think and act in unison, not just for

themselves and their individual firms, but for a larger sense of purpose—the good of the order, so to speak (Burris, 2005).

Transnational corporate boards meet on a regular basis to encourage the maximization of profit and the long-term viability of their firm's business plans. If they arrange for payments to government officials, conduct activities that undermine labor organizations, seek to manipulate the price of commodities (e.g. gold), or engage in insider trading in some capacity, they are in fact forming conspiratorial alliances inside those boards of directors. Our sample of thirty directors inside two connected companies have influence with some of the most powerful policy groups in the world, including British–American Business Council, US–Japan Business Council, Business Roundtable, Business Council, and the Kissinger Institute. They influence some ten trillion dollars in monetary resources and control the working lives of many hundreds of thousands of people. All in all, they are a power elite unto themselves, operating in a world of power elite networks as the *de facto* ruling class of the capitalist world.

Moreover, this 1 percent global elite dominates and controls public relations firms and the corporate media. Global corporate media protect the interests of the 1 percent by serving as a propaganda machine for the superclass. The corporate media provide entertainment for the masses and distorts the realities of inequality. Corporate news is managed by the 1 percent to maintain illusions of hope and to divert blame from the powerful for hard times (Phillips and Huff, 2009: 197–220). Four of the thirty directors in our two-firm sample are directly connected with public relations and media. Thomas H. O'Brien and Ivan G. Seidenberg are both on the board of Verizon Communications (2012), where Seidenberg serves as chairman. Verizon reported over \$110 billion in operating revenues in 2011. David H. Komansky and Linda Gosden Robinson are on the board of WPP Group (2012), which describes itself as the world leader in marketing communications services, grossing over \$65 billion in 2011. WPP is a conglomerate of many of the world's leading PR and marketing firms, in fields that include advertising, media investment management, consumer insight, branding and identity, health care communications, and direct digital promotion and relationship marketing.

Even deeper inside the 1 percent of wealthy elites is what David Rothkopf (2008) calls the superclass. David Rothkopf, former managing director of Kissinger Associates and deputy undersecretary of commerce for international trade policies, published his book *Superclass: the Global Power Elite and the World They Are Making*, in 2008. According to Rothkopf, the superclass constitutes approximately 0.0001 percent of the world's population, comprised of 6,000 to 7,000 people—some say 6,660. They are the Davos-attending, Gulfstream/private jet-flying, money-incrusted, megacorporation-interlocked,

policy-building elites of the world, people at the absolute peak of the global power pyramid. They are 94 percent male, predominantly white, and mostly from North America and Europe. These are the people setting the agendas at the Trilateral Commission, Bilderberg Group, G-8, G-20, NATO, the World Bank, and the World Trade Organization. They are from the highest levels of finance capital, transnational corporations, the government, the military, the academy, nongovernmental organizations, spiritual leaders, and other shadow elites. Shadow elites include, for instance, the deep politics of national security organizations in connection with international drug cartels, who extract 8,000 tons of opium from US war zones annually, then launder \$500 billion through transnational banks, half of which are US-based (Scott, 2010).

Rothkoft's (2008) understanding of the superclass is one based on influence and power. Although there are over 1,000 billionaires in the world, not all are necessarily part of the superclass in terms of influencing global policies. Yet these 1,000 billionaires have twice as much wealth as the 2.5 billion least wealthy people, and they are fully aware of the vast inequalities in the world. The billionaires and the global 1 percent are similar to colonial plantation owners. They know they are a small minority with vast resources and power, yet they must continually worry about the unruly exploited masses rising in rebellion. As a result of these class insecurities, the superclass works hard to protect this structure of concentrated wealth. Protection of capital is the prime reason that NATO countries now account for 85 percent of the world's defense spending, with the US spending more on military than the rest of the world combined. Fears of inequality rebellions and other forms of unrest motivate NATO's global agenda in the war on terror. The Chicago 2012 NATO Summit Declaration reads:

As Alliance leaders, we are determined to ensure that NATO retains and develops the capabilities necessary to perform its essential core tasks collective defence, crisis management and cooperative security—and thereby to play an essential role promoting security in the world. We must meet this responsibility while dealing with an acute financial crisis and responding to evolving geo-strategic challenges. NATO allows us to achieve greater security than any one Ally could attain acting alone.

We confirm the continued importance of a strong transatlantic link and Alliance solidarity as well as the significance of sharing responsibilities, roles, and risks to meet the challenges North-American and European Allies face together . . . we have confidently set ourselves the goal of NATO (2012) Forces 2020: modern, tightly connected forces equipped, trained, exercised and commanded so that they can operate together and with partners in *any* (emphasis added) environment.

NATO is quickly emerging as the police force for the transnational corporate class. As the TCC more fully emerged in the 1980s, coinciding with the collapse of the Union of Soviet Socialist Republics (USSR), NATO began broader operations. NATO first ventured into the Balkans, where it remains, and then moved into Afghanistan. NATO started a training mission in Iraq in 2005, has recently conducted operations in Libya, and, as of July 2012, is considering military action in Syria.

It has become clear that the superclass uses NATO for its global security. This is part of an expanding strategy of US military domination around the world, whereby the US/NATO military-industrial-media empire operates in service to the transnational corporate class for the protection of international capital anywhere in the world (Phillips, et al., 2010).

Sociologists William Robinson and Jerry Harris (2000) anticipated this situation in 2000, when they described “a shift from the social welfare state to the social control (police) state replete with the dramatic expansion of public and private security forces, the mass incarceration of the excluded populations (disproportionately minorities), new forms of social apartheid . . . and anti-immigrant legislation” (Robinson and Harris, 2000). Robinson and Harris’s theory accurately predicts the agenda of today’s global superclass, including

- President Obama’s continuation of the police state agendas of his executive predecessors, George W. Bush, Bill Clinton, and George H. W. Bush;

- the long-range global dominance agenda of the superclass, which uses US/NATO military forces to discourage resisting states and maintain internal police repression, in service of the capitalist system’s orderly maintenance;

- and the continued consolidation of capital around the world without interference from governments or egalitarian social movements (Pilger, 2003).

Furthermore, this agenda leads to the further pauperization of the poorest half of the world’s population, and an unrelenting downward spiral of wages for everyone in the second tier, and even some within the first tier (Chossudovsky and Marshall, eds. (2010). It is a world facing economic crisis, where the neoliberal solution is to spend less on human needs and more on security (Loo, 2011). It is a world of financial institutions run amok, where the answer to bankruptcy is to print more money through quantitative easing with trillions of new inflation-producing dollars. It is a world of permanent war, whereby spending for destruction requires even more spending to rebuild, a cycle that profits the TCC and its global networks of economic power. It is a world of drone killings, extrajudicial assassinations, and death and destruction, at home and abroad.

As Andrew Kollin states in *State Power and Democracy*, “There is an Orwellian dimension to the Administration’s (Bush and later Obama) perspective, it chose to disregard the law, instead creating decrees to legitimate illegal actions, giving

itself permission to act without any semblances of power sharing as required by the Constitution or international law” (Kollin, 2011: 141).

And in *Globalization and the Demolition of Society*, Dennis Loo writes, “The bottom line, the fundamental division of our society, is between, on the one hand, those whose interests rest on the dominance and the drive for monopolizing the society and planet’s resources and, on the other hand, those whose interests lie in the husbanding of those resources for the good of the whole rather than the part” (Loo, Op. Cit.: 357).

The Occupy movement uses the 1 percent vs. 99 percent mantra as a master concept in its demonstrations, disruptions, and challenges to the practices of the transnational corporate class, within which the global superclass is a key element in the implementation of a superelite agenda for permanent war and total social control. Occupy is exactly what the superclass fears the most—a global democratic movement that exposes the TCC agenda and the continuing theater of government elections, wherein the actors may change but the marquee remains the same. The more that Occupy refuses to cooperate with the TCC agenda and mobilizes activists, the more likely the whole TCC system of dominance will fall to its knees under the people power of democratic movements.

Power Concentrated in the Capitalist Class

To suggest that power is not concentrated in one class is to completely misunderstand the nature of capitalism. Today, wealth and power is concentrated in fewer hands – the owners of the major banks and corporations – even then when Marx was writing. According to Oxfam, the richest 85 people on earth – a double-decker bus full – have as much wealth as the poorest half of the world’s population. The richest 85 include five women and one African, although white men predominate. Their role in society, however, does not stem primarily from their colour or gender but that they are part of a tiny super-wealthy ruling elite.

The world’s 100 biggest companies now control 70% of global trade. Even if their boards of directors included many more black people or women it would not make any material difference to the exploitation suffered by the working class and poor worldwide, not least black women. Look at South Africa, where the incorporation of a tiny minority of blacks into the capitalist class has made no difference to the dire poverty suffered by the majority. And capitalism is increasingly incapable of taking society forward. Many of the rights partially taken for granted by previous generations in Europe, like a relatively secure job, home and pension, are now things of the past.

To say that social relations in modern society are capitalist relations is not to take an ‘economic determinist’ view of society: arguing that every aspect of the ‘superstructure’ of society—the state, politics, culture, social attitudes and so on—are rigidly determined by the character of the economy. On the contrary, there is an inter-relationship between the two. At the same time, politics and social attitudes reflect not only the current character of capitalism but also remnants of the past and—particularly in mass struggles of the working class and the oppressed—the seeds of a potential better future. Nonetheless, it is clear that as long as we live in a capitalist society, where wealth and power rests with the tiny elite who own and control industry, science and technology, then the superstructure of that society will also ultimately reflect and act in the interests of that ruling elite.

No amount of demanding that people ‘check their privilege’ will eliminate social attitudes generated and sustained by capitalism. While determined mass struggle can force capitalism to adapt to a certain extent, as has been the case with LGBT rights, equal pay legislation and other measures, permanent and deep-rooted change, particularly where it threatens the functioning of capitalism, will only be achieved by the socialist transformation of society.

The horrific bureaucratic degeneration and then collapse of the Soviet Union have obscured the importance of the Russian revolution in giving a glimpse of what socialism would mean for those suffering oppression. In Russia in 1917 the working class led a movement of the oppressed which successfully overthrew capitalism for the first, and so far, the only time. Russia’s extreme poverty and the isolation of the new workers’ state led to its degeneration. Nonetheless, in the early days it gave a glimpse of how a new society could overcome oppressions that had existed for millennia.

In ‘backward’ Russia, legal changes were introduced very quickly which were many decades ahead of any capitalist country. These included universal suffrage, civil marriage and divorce when requested by either partner, equal pay, paid maternity leave, the right to abortion and the legalisation of homosexuality. Oppressed nationalities were given the genuine right to self-determination. Measures were taken to encourage nationalities and cultures oppressed under tsarism, including the development of a written form of some languages for the first time.

Of course, legal or formal measures do not in themselves end oppression. Decades after the passing of equal pay legislation in Britain, for example, women still earn an average of £5,000 a year less than men. Addressing women’s oppression in the Soviet Union, Trotsky described how legal equality was a step forward but actual equality in social relations required a far more “deep-going plough”, capable of providing real economic equality and lifting the domestic burden from women, and transforming social attitudes ingrained over millennia.

A whole number of measures began to be introduced in the aftermath of the Russian revolution (including free childcare, communal restaurants and public laundries) which, while never fully implemented due to the degeneration of the Soviet Union, gave a glimpse of how the domestic burden could be lifted. That, in turn, could have laid the foundations for the building of a society based on women's equality.

Many intersectionalists put very little emphasis on campaigning for economic and practical measures to lift the burden on women, instead concentrating overwhelmingly on social attitudes, and trying to create spaces within society that are free of oppression. Yet freeing women from the heavy load of being the carers, cooks and cleaners for the whole of society is an essential prerequisite for ending women's oppression. Twenty-first century capitalism, far from taking steps towards this, is driving in the opposite direction.

Austerity affects women severely. It includes huge cuts in public services that partially lifted some of the responsibilities that fall on women. David Cameron's big society could be summed up as demanding that women compensate for the cuts to health, child and elderly care by taking the burden on themselves. This is a demonstration that under capitalism, even where oppressed groups make gains, they are never guaranteed to be permanent. This also applies to the devastating, sometimes life-threatening, consequences of austerity for disabled people.

Neoliberalism – the ideology at the root of all contemporary problems of powerlessness

Imagine if the people of the Soviet Union had never heard of communism. The ideology that dominates our lives has, for most of us, no name. Mention it in conversation and you'll be rewarded with a shrug. Even if your listeners have heard the term before, they will struggle to define it. Neoliberalism: do you know what it is?

Its anonymity is both a symptom and cause of its power. It has played a major role in a remarkable variety of crises: the financial meltdown of 2007-8, the offshoring of wealth and power, of which the Panama Papers offer us merely a glimpse, the slow collapse of public health and education, resurgent child poverty, the epidemic of loneliness, the collapse of ecosystems, the rise of Donald Trump. But we respond to these crises as if they emerge in isolation, apparently unaware that they have all been either catalyzed or exacerbated by the same coherent philosophy; a philosophy that has – or had – a name. What greater power can there be than to operate namelessly?

Inequality is recast as virtuous. The market ensures that everyone gets what they deserve. So pervasive has neoliberalism become that we seldom even recognize it as an ideology. We appear to accept the proposition that this utopian, millenarian faith describes a neutral force; a kind of biological law, like Darwin's theory of evolution. But the philosophy arose as a conscious attempt to reshape human life and shift the locus of power. Neoliberalism sees competition as the defining characteristic of human relations. It redefines citizens as consumers, whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency. It maintains that "the market" delivers benefits that could never be achieved by planning.

Attempts to limit competition are treated as inimical to liberty. Tax and regulation should be minimized, public services should be privatized. The organization of labor and collective bargaining by trade unions are portrayed as market distortions that impede the formation of a natural hierarchy of winners and losers. Inequality is recast as virtuous: a reward for utility and a generator of wealth, which trickles down to enrich everyone. Efforts to create a more equal society are both counterproductive and morally corrosive. The market ensures that everyone gets what they deserve.

We internalize and reproduce its creeds. The rich persuade themselves that they acquired their wealth through merit, ignoring the advantages – such as education, inheritance and class – that may have helped to secure it. The poor powerlessly begin to blame themselves for their failures, even when they can do little to change their circumstances. Never mind structural unemployment: if you don't have a job it's because you are unenterprising. Never mind the impossible costs of housing: if your credit card is maxed out, you're feckless and improvident. Never mind that your children no longer have a school playing field: if they get fat, it's your fault. In a world governed by competition, those who fall behind become defined and self-defined as powerless losers.

Neoliberal Ideology and the Rhetoric of Democratic Freedom

In addition to amassing ever-expanding amounts of material wealth, the rich now control the means of schooling and other cultural apparatuses in the United States. They have disinvested in critical education while reproducing notions of "common sense" that incessantly replicate the basic values, ideas, and relations necessary to sustain the institutions of economic Darwinism. Both major political parties, along with plutocrat "reformers," support educational reforms that increase conceptual and cultural illiteracy.

Critical learning has been replaced with mastering test-taking, memorizing facts, and learning how not to question knowledge or authority. Pedagogies that unsettle common sense, make power accountable, and connect classroom

knowledge to larger civic issues have become dangerous at all levels of schooling. This method of rote pedagogy, heavily enforced by mainstream educational reformists, is, as Zygmunt Bauman (2011) notes, “the most effective prescription for grinding communication to a halt and for [robbing] it of the presumption and expectation of meaningfulness and sense.” These radical reformers are also attempting to restructure how higher education is organized. In doing so, they are putting in place modes of governance that mimic corporate structures by increasing the power of administrators at the expense of faculty, reducing faculty to a mostly temporary and low-wage workforce, and reducing students to customers—ripe for being trained for low-skilled jobs and at-risk for incurring large student loans.

This pedagogy of market-driven illiteracy has eviscerated the notion of freedom, turning it largely into the desire to consume and invest exclusively in relationships that serve only one’s individual interests. Losing one’s individuality is now tantamount to losing one’s ability to consume. Citizens are treated by the political and economic elite as restless children and are “invited daily to convert the practice of citizenship into the art of shopping” (Lapham, 2012). Shallow consumerism coupled with an indifference to the needs and suffering of others has produced a politics of disengagement and a culture of moral irresponsibility.

At the same time, the economically Darwinian ethos that places individual interest at the center of everyday life undercuts, if not removes, moral considerations about what we know and how we act from larger social costs and moral considerations. In media discourse, language has been stripped of the terms, phrases, and ideas that embrace a concern for the other. With meaning utterly privatized, words are reduced to signifiers that mimic spectacles of violence, designed to provide entertainment rather than thoughtful analysis. Sentiments circulating in the dominant culture parade either idiocy or a survival-of-the-fittest ethic, while anti-public rhetoric strips society of the knowledge and values necessary for the development of a democratically engaged and socially responsible public.

In such circumstances, freedom has truly morphed into its opposite. Neoliberal ideology has construed as pathological any notion that in a healthy society people depend on one another in multiple, complex, direct, and indirect ways. As Lewis Lapham observes, “Citizens are no longer held in thoughtful regard...just as thinking and acting are removed from acts of public conscience” (Ibid). Economic Darwinism has produced a legitimating ideology in which the conditions for critical inquiry, moral responsibility, and social and economic justice disappear. The result is that neoliberal ideology increasingly resembles a call to war that turns the principles of democracy against democracy itself. Americans now live in an atomized and pulverized society, “spattered with the debris of broken interhuman bonds” (Bauman, 2012: 102), in which

“democracy becomes a perish-able commodity” (Lapham, Op.Cit) and all things public are viewed with disdain.

At the level of governance, neoliberalism has increasingly turned mainstream politics into a tawdry form of money-laundering in which the spaces and registers that circulate power are controlled by those who have amassed large amounts of capital. Elections, like mainstream politicians, are now bought and sold to the highest bidder. In the Senate and House of Representatives, 47 percent are millionaires—the “estimated median net worth of a current US senator stood at an average of \$2.56 million while the median net worth of members of Congress is \$913,000” (Lichtblau, 2011). Elected representatives no longer even purport to do the bidding of the people who elect them.

Rather, they are now largely influenced by the demands of lobbyists, who have enormous clout in promoting the interests of the elite, financial services sector, and megacorporations. There is a pattern of inequality caused by the powerful subjugating the poor and keeping them dependent. Outside influence is often a large factor and access to trade and resources is the usual cause. It is often asked why the people of these countries do not stand up for themselves. In most cases when they do, they face incredible and often violent oppression from their ruling elites and from outsiders who see their national or corporate interests threatened. Hence, the ordinary citizen is powerless in any democratic decision making process.

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Neoliberalism and Imperialism: Global Marginalization of the Poor as Oppression



Overview

A parallel of the suppression of civil rights is clearly present, between the puppet-states of the Third World and in the “democratic” countries of the Western World. In the developing world, democracy is suppressed through violence, while in the developed world, democracy is suppressed through indoctrination. Democracy and Civil Rights are being dismantled in both the Western and developing world, all in the name of commerce. This is done to keep the common individual out of the political and economic process so that governments and corporations have free reign to do as they wish. This process is commonly referred to as marginalization of the disposable population.

This marginalization is often described as a social process where people are relegated to the fringes or ‘margins’ of the society. It is defined as processes, in

which individuals or communities are socially excluded, systematically blocked from, or are denied access to participate in social and political processes which are basic to integrate with the society. Marginalization inhibits a person, a group, a section or a community to enjoy rights, privileges, opportunities and resources that are normally available to members of a society. It may therefore be considered as a discordant relationship between those who marginalize as compared to those who are being marginalized. Then possibly the term ‘marginalized’ may be used synonymously with the term ‘oppressed’ in comparison to an ‘oppressor’ as Paolo Freire used in his famous ‘Pedagogy of Oppressed’, ‘proletariat’ as used by Karl Marx, ‘subaltern’ used by Gramsci, ‘powerless’ as elaborated by Michel Foucault, or exploited, vulnerable, discriminated, disadvantaged, subjugated, socially excluded, alienated or downtrodden as used elsewhere in the available literature.

Defining Marginalization

Marginalization comprises those processes by which individuals and groups are ignored or relegated to the sidelines of political debate, social negotiation, and economic bargaining—and kept there. Homelessness, age, language, employment status, skill, race, and religion are some criteria historically used to marginalize. Marginalized groups tend to overlap; groups excluded in one arena, say in political life, tend to be excluded in other arenas, say in economic status. Concern with marginalization is relatively recent. As the advance of democratization and citizenship swell the ranks of those “included” in the social order, the plight of those with limited access to the franchise and without rights or at least enforceable claims to rights becomes problematic.

Our discussion focuses on two main issues. First, what are marginalizing processes and how do they operate? Second, why are so many of the same groups—women, ethnic groups, religious minorities—marginalized in a variety of situations and institutions? Major approaches to marginalization are represented by neoclassical economics, Marxism, social exclusion theory, and recent research that develops social exclusion theory findings.

Neoclassical economists trace marginalization to individual character flaws or to cultural resistance to individualism. Their explanations of poverty stress the notion of the *residuum*, defined as those “limp in both body and mind.” This residuum—the term was made famous by the Cambridge economist, Alfred Marshall—will only work when forced to do so. Generous social policies encourage its members to stay out of the labor force. To explain why some groups are found disproportionately in the residuum, economists sometimes cite the presence of a “culture of poverty,” which although adapted to alleviate the worst effects of poverty in fact reinforces it.

In contrast, Marxists see marginalization as a structural phenomenon endemic to capitalism. For Marx, the “reserve army of the proletariat,” a pool of unemployed or partially unemployed laborers, is used by employers to lower wages. Together with *déclassé* elements, the most impoverished elements from the “reserve army” form the bases for the lumpenproletariat—in Marx’s time, a motley conglomeration of beggars, discharged soldiers, prostitutes, and vagabonds. Marx also noted the presence of ethnic minorities, such as the Irish, in the “reserve army.” He attributed the composition of the reserve army of labor and thus the lumpenproletariat to capitalist efforts to divide the working class along ethnic lines (Silver, 1994: 531-578).

Although strongly influenced by Marxism, contemporary social exclusion theory stresses the importance of social networks and symbolic boundaries. Studying the economic recovery of the late 1970s, French sociologists noted that some groups—particularly migrants and youth—benefited relatively little from renewed growth. They concluded that sustained unemployment leads to poverty, which in turn leads to social isolation, including the breakup of families and the financial inability to fully participate in popular culture. Shorn of kin ties and cultural associations, the unemployed have difficulty finding a job and eventually become unemployable.

Current research has led to modifications of social exclusion theory. States and kin networks can play a significant role in moderating the effects of prolonged unemployment. Generous Dutch and Danish (Gallie, 2004) welfare states keep the unemployed out of poverty. In Italy and Spain the tendency of all unmarried adult children, including unemployed adult children, to remain in households with members who have ties to labor markets moderates social isolation. Less generous welfare states and the relatively early departure of adult children from households leaves the unemployed in France, Germany, and the United Kingdom especially susceptible to social isolation. Everywhere, immigrant workers, who do not receive the full benefits of the welfare state and whose families are often not integrated into job markets, remain marginalized.

Recent work by American sociologist Charles Tilly further stresses the importance of economic structures and social networks to marginalization. For Tilly (1999), capitalist control of jobs combined with included groups’ monopolization of job niches help explain why adult, native, white men are privileged in many different hierarchies, whereas non adult, migrant, nonwhite women are invariably among the excluded. He emphasizes that new job hierarchies within capitalist industry tend to be filled according to already existing social distinctions; employers use old distinctions to justify and buttress new workplace distinctions and maintain harmony by endorsing distinctions that already divide the labor force. In so doing, employers and included groups

perpetuate existing social distinctions and reinforce them, creating durable inequality (Romero et al., 2005).

Increasingly, modern interpretations stress marginalization's collective character and the role of the state, elites, and entrenched groups in determining who is marginalized. But wherever it occurs, marginalization seldom begins afresh. Institutions typically fill new job hierarchies in line with existing social ranks. Groups marginalized in the past have the best chance of being marginalized in the future.

Marginalizing Neoliberal Imperialism Today

In the neoliberal era, the capitalist world system revolves around the monopolization of finance, production, services, and trade—as well as labor exploitation and environmental degradation. In expanding their operations, monopoly capitalism's agents have created a global network of production, finance, distribution, and investment that has allowed them to seize the strategic and profitable segments of peripheral economies and appropriate their economic surplus. Monopoly capital has become, more than ever, the central player. Through mega-fusions and mega-strategic alliances, monopoly capital has reached unparalleled levels of concentration and centralization: the five hundred largest multinational corporations concentrate between 35–40 percent of world income.

In 1992, 13 years after Margaret Thatcher's "neoliberal revolution," the Iron Lady's chief economic advisor, Alan Bud (1992), declared that he had his doubts that "the 1980's policies of attacking inflation by squeezing the economy and public spending" had ever really been taken seriously by those at the helm of government. Rather, he wondered if they weren't really a "cover to bash the workers. Raising unemployment," he pointed out, "was a very desirable way of reducing the strength of the working class. What was engineered—in Marxist terms—was a crisis of capitalism which re-created a reserve army of labor, and has allowed the capitalists to make high profits ever since" (Harvey, 2010: 284–85).

The interest of this anecdote is in its implicit suggestion of a link between the socio-political destabilization and fragmentation of the wage-earning working class (the intensification, in other words, of the difference between the working army of labor and the unemployed reserve) and the politics pursued during the decades following the rise of neoliberalism. The central problem with which we are confronted today, in other words, may be less the conflict between labor and capital, and more, as Margaret Thatcher (1993) put it, the antagonism between a privileged "underclass" with its "dependency culture" and an "

active” proletariat whose taxes pay for a system of “entitlements” and “handouts” (1993: chapter XXI).

During this same period, in France, André Gorz (1982: 3) published his *Farewell to the Working Class*—a book in which he argued that the “society of unemployment” would henceforth be divided into two camps: “a growing mass of the permanently unemployed” on one side, “an aristocracy of tenured workers” on the other, and, lodged between the two, “a proletariat of temporary workers.” Far from constituting the very motor of social change, the “traditional working class” had become little more than a “privileged minority” (Ibid.: 69). From now on, the vanguard of the class struggle would be a “non-class” made up of the “unemployed” and “the temporary workers” for whom work would never be a “source of individual flourishing.” Gorz’s idea was that, in today’s world, class conflict is no longer between the bourgeoisie and the proletariat, but rather, between the lumpenproletariat and a working class no longer at odds with the class system.

The fact that this logic—redefining the social question as a conflict between two factions of the proletariat rather than between capital and labor—can today be found on the left as well as the right, raises a number of question. On one side, it aims at limiting the social rights of the “surplus population” by pitting “active” workers against them; on the other side, it aims at mobilizing the “surplus population” against the privilege of the “actives.” In the end, both sides end up accepting, to the detriment of all “workers,” the centrality of the category of the “excluded.”

This simultaneously semantic and ideological evolution in some sense reproduces the changes that have taken place in the salariat over the last forty years. Increasing unemployment that is also increasingly concentrated (both socially and geographically) and the consequent emergence of a vast stratum of (what Marx called) the “surplus population” thus figure as key elements for understanding the structural reconfiguration of the salariat in the whole of the industrialized world. It has pushed to center stage a set of political debates about “unemployed youth left adrift,” “the beggars and the homeless” and “postcolonial immigrants without documents or support.”

These new protagonists of the urban proletariat now become, as Loic Wacquant (2012: 280-82) pointed out, “the living and threatening incarnation” of the instability generated by “the erosion of stable and homogenous wage work” and “the decomposition of the solidarities of class and culture it underpinned within a clearly circumscribed national framework” (2009:4). This same evolution becomes the condition of possibility both of the various conservative political strategies aimed at limiting access to the Welfare State and of the declining “centrality of the working class question” among authors and critics on the left.

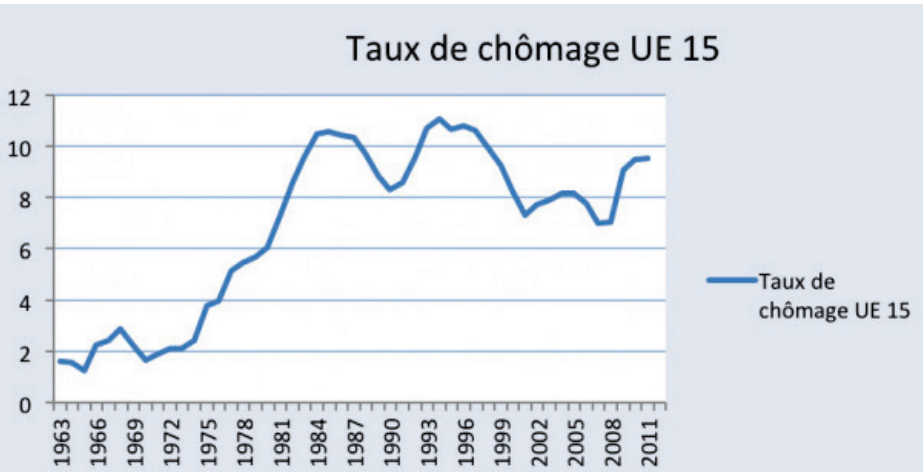
Now the “exploited” are redefined “by their exclusion,” by their increasingly precarious relationship to work (*précarisation*) (bid). In their new invisibility, they constitute a symbol of the reconfiguration of class (as well as ethnic and gender) relations in a society where the explosion of inequality and economic instability has profoundly dismantled the working class. Indeed, their invisibility is a kind of image of neoliberalism, of the replacement of class struggle by unorganized uprisings and class consciousness by the fragmented identitarianism of a deeply fissured salariat.

Although this problematic gets articulated differently in different countries, the question of the “surplus population” in all its declensions (the unemployed, the impoverished, immigrants, the excluded, the underclass, the insecurely employed, etc.) finds itself at the heart of both public and expert debate on the economy, on the left and on the right in the decades following the 1980s. The transformations of the period go beyond the issue of how the economy is organized to the issue of how the social question will be asked in the future. Indeed, in debates that are as much intellectual as political, the new centrality of the “excluded” or the “underclass” not only changes the terms of the problem but also of what can count as a solution.

The New Unemployment Problem

Between 1963 and 1983, unemployment rates skyrocketed from under 2% to at least 10% in every main industrialized European country. This transformation, as much of the structure of the wage-system as of work itself was perhaps one of the most important of the post-war period, profoundly altering the terms of political and economic discussion. Unemployment had remained relatively low in the post-War period but the following years marked the end of the “30 glorious” years of European post-war peace and prosperity. If the old objective had been “full employment,” the new one was just less unemployment, i.e. “reducing (an) unemployment” rate (**Chart 4**) which had somehow managed to settle in “for good.” A new consensus had begun to emerge: unemployment was not “just a conjunctural phenomenon,” but appeared to be caused by structural factors (Niveau and Crozet, 2000:552):

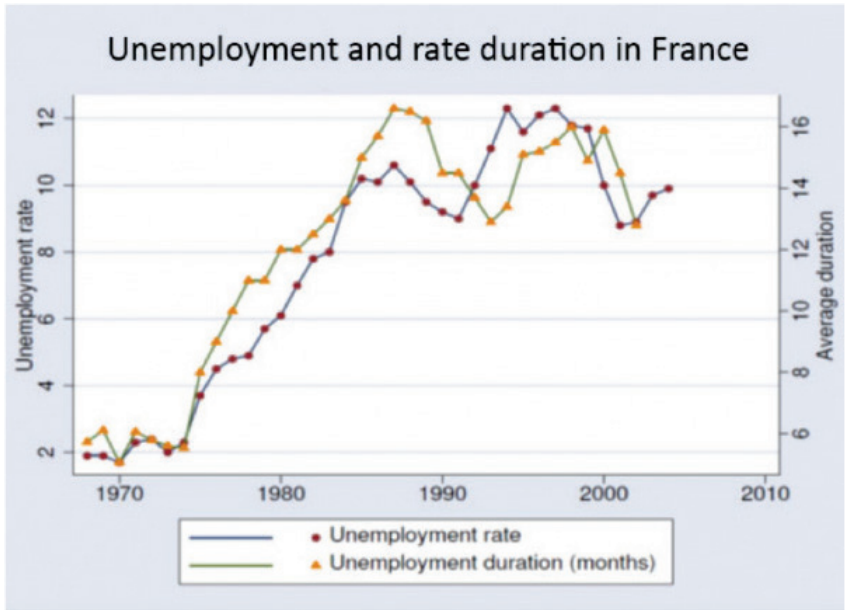
Chart 4: Unemployment Rate in European Union



Source: OCED-Unemployment Rate

To this explosion of unemployment were added two relatively new considerations: its increasing duration and its concentration within the workforce. What was thus established was a deep correlation between, on one hand, the increase of unemployment rates and, on the other, the length of time spent unemployed in France (**Chart 5**):

Chart 5: Unemployment Rate in France



Source: O. Blanchard 2005

What this means is that the rise in unemployment hit a relatively small group very hard while sparing the rest. In Germany, for instance, between 1975 and 2004, 70% of all periods of unemployment were localized in barely 10% of the population (Schmillen and Moller, 2010). In this regard—and in this regard alone—the new segment of the workforce (the poor, the unemployed, immigrants) did indeed become relatively isolated from other active wage-earners. And although the United States in this period saw a less significant rise in unemployment, the 1970s and ‘80s nonetheless did see an increase both in the numbers and in the length of unemployment. Furthermore, insofar as unemployment (**Chart 6**) and poverty also became increasingly concentrated geographically—as is suggested by the evolution of African-American ghettos in the United-States—the debate over the “underclass” became increasingly prominent.

Chart 6: Unemployment Rate in the United States



Source: Federal Reserve Economic Data

It is this widening inequality that would come to constitute a crucial condition of possibility for the political and economic division of the workforce, a division that in the following decades would seriously reconfigure the terms in which the social question would be posed. It would be not so much the question of unemployment as such as the question of its unequal distribution that figured at the center of the debate. And this focus would produce as its corollary both a social and an identitarian fragmentation of the working class. The serious over-representation of certain segments of the workforce (women, immigrants, African-Americans) now put the problem of discrimination at the center of analysis. Where the conflict between capital and labor had structured the analysis

of the post-War years, the focus was now on the new crisis of unemployment and in particular on the unequal effects of that crisis.

Marginalization: The Unemployed as “the Other”

This shift rests on the assumption that the unemployed and the employed constitute different populations. But if today, with respect to public policy, it seems natural to separate them, it hasn't always been that way. Marx, for example, thought of them both as belonging to the “proletariat.” Michael Denning (2010:82) notes that in *Capital* and the 1844 manuscripts, Marx refers to the “not-busy” (*die Unbeschäftigten*) rather than to the contemporary category of the “unemployed” (*die Arbeitslosen*). The distinction in Marx's time was not between two distinct segments of the population as much as it was within a population that was “now absorbed, now set free” (1867: Sec.3) from the ranks of active labor.

In other words, it is not as though there were “two kinds of workers, employed and unemployed, or two sectors of the economy, formal and informal; rather, there is a process in which greater attraction of workers by capital is accompanied by their greater repulsion . . . the workers are sometimes repelled, sometimes attracted again in greater masses” (Denning, Op.Cit.,:97). It is in this sense that Marx described a fluctuating population, periodically finding itself without work, surviving as best it could while waiting to be reabsorbed by an industrial production that alternated between drawing them in and pushing them out: “laborers are sometimes repelled, sometimes attracted again in greater masses” (Marx, 1867: Sec.4). In this configuration, the increase of unemployment does not generate a split (*une dualisation*) within the proletariat—it essentially increases the periods of non-employment for every worker.

The current situation, however, has changed. Unemployment obviously existed in Marx's day, but its structure was different, the crucial change being not so much the increase in unemployment as the form it begins to take. The post-War social welfare state—normalizing work for some and thus normalizing “non-work” for others, helping some to stable, life-long employment while simultaneously allowing others to settle into years of unemployment or social assistance—made the distinction between “active” workers and the unemployed possible. It's from this perspective that the category of the unemployed as a matter of concern for public policy, in conjunction with the concentration of unemployment, helped to produce, both in theory and practice, a group truly isolated from that of the “salaried population” (Zoberman,2001:21).

As long as we were in a situation of full employment and unemployment was relatively low, the new protections made available to workers posed few problems. Workers continued to have lifestyles and trajectories that were fairly

homogeneous, thus facilitating a sense of cohesion and collective organization. Yet, as soon as unemployment began ticking upward and became “structural,” welfare protections benefiting both workers and the unemployed tended to differentiate between the two and thus fracture the working class into two segments: those with work and those without.

Such a situation would have been impossible in Marx’s day, or even as recently as the 1930s, as we can see by casting even a passing glance at Dorothea Lange’s or Walker Evans’s famous photographs in which the figures and faces of workers intermingle with those of migrants and the unemployed, each occupying in turn the other positions. In these faces, it’s difficult to tell the difference between someone who’s got a job and someone who hasn’t. Or think of John Steinbeck’s *The Grapes of Wrath*, where the main characters are migrants and workers, employed and unemployed, simultaneously or by turn. Today, unlike when Marx wrote or the 1930s, the experiences of unemployment, poverty, or even of precarious labor are much more heterogeneous and distinct, precisely because of welfare programs (*catégories publiques*) and the concentration of unemployment in certain sectors of the proletariat.

Far from defining a single “proletariat” passing from one status to the other according to the vagaries of the moment, our contemporary societies generate an excess population relatively separate from the “classical” model of the wage-earner/salariat: a population fragmented along ethnic or gender lines, alternating between periods of unemployment, odd-jobs, poverty, etc. It is therefore not so surprising that, once separated from the question of their labor, the categories of “the unemployed,” “the poor,” or the “precarious,” are swiftly disconnected from being understood in terms of the exploitation at the heart of capitalist economic relations, and find themselves and their situation apprehended in terms of relative (monetary, social, or psychological) deprivation, filed under the general rubrics of “exclusion,” “discrimination,” or forms of “domination.”

This evolution is marked by the new importance, for the left and the right, of the “excluded,” and of the idea that henceforth a “post-industrial” society is divided between those who have access to the labor market and those who, in varying degrees, do not. The focus of the world of labor is thus displaced, shifting towards questions of “exclusion, poverty, and unemployment” (Ibid., 282) and the intellectual world largely goes along with, and re-enforces, this dynamic. As the sociologists Stéphane Beaud and Michel Pailoux (2012:424) have noted, this displacement indirectly puts workers “on the *inside*, on the side of those who have a job (on the side of the ‘privileged,’ and of those with ‘acquired advantages’).” What’s foregrounded is no longer the general problem of inequality but instead its distribution, its disproportionate effect on the excluded—the unemployed, the young people in the “banlieues,” immigrants.

Furthermore, seen through the lens of this excess population, the representation of the salariat is increasingly ethnicized. Indeed, the overrepresentation of groups (often descendants of immigrants or immigrants themselves) among the ranks of the “surplus population” reinforces the ethnicization of the social question. The declining relevance of the category of class antagonism or, to quote Xavier Vigna (2012: 294), its “increasingly inoperant symbolic and political character,” thus seems to coincide quite clearly with “the activation of identitarian divides founded on the basis of nationality.” The issue here is no longer unemployment as such, but its overrepresentation among certain groups and hence the discrimination to which they have clearly been subjected.

From the “Proletariat” to the “Excluded”

Alongside this symbolic and political decline of the problem of the working class, one finds the development of new social movements and a radical critique of classical Marxism. In a conference given in Japan in 1978, Michel Foucault asked whether we weren’t beginning to witness “in this period of the end of the 20th century, something like the end of the age of Revolution.” By this, as Michael C. Behrent (2013) astutely points out, he meant not an “end of the revolution” resembling the one imagined by François Furet, but “rather [an age] of the proliferation of struggles, the aim of which is to redistribute the power differential in society.” Such a reconfiguration of struggles announced the end of the centrality of the working class and the intensification of the kinds of actions—for the “excluded,” the “marginal,” and the other “subalterns”—dear to Foucault. And it was this increasing importance of occupying buildings for the homeless, distributing food to African immigrants, or demonstrating for prisoners’ rights, etc. that led Sartre to understand this as a transition towards a “moral Marxism” and to see these actions as essentially “moral gestures” (Gerassi, 2013: 178-79), the moral dimension residing precisely in the increasing displacement of questions of exploitation by concerns about “minorities,” the “marginal,” and the “excluded”—in short, by questions of domination and discrimination.

This well-known displacement in Western Marxism compelled many thinkers and movements to redefine their sense of the “social agents who could play the role of the revolutionary subject, as understudies who might replace an indisposed working class: Third World peasants, students, intellectuals, the excluded” (Žižek, 2009:89). It was along these same lines, for example, that the Marxist theoretician Herbert Marcuse (1969:51) defended the position that the traditional working class had been thoroughly “integrated” into the capitalist system, and that only “active minorities” and the “young, middle-class

intelligentsia” were henceforth capable of radical political action. For Marcuse, these “under-privileged” groups, “humiliated, frustrated, oppressed, victims of segregation” (Perroux, 1969:196) might now, allied with students, constitute a decisive element in the unleashing of social revolts.

The epicenter of social shocks to come was not to be found in the classical proletariat, but among the “unemployed,” the “blacks in the ghettos,” and other marginalized “ethnic” groups. For Marcuse (1969:53), it was thus self-evident that “modifications in the structure of capitalism alter the basis for the development and organization of potentially revolutionary forces”, a view that would be similarly consecrated by André Gorz’s defense of the idea that the classical worker had disappeared, taking with him “the class able to take charge of the socialist project and translate it into reality” (Op.Cit.,:66). For Gorz, today, “the majority of the population now belong to the post-industrial neo-proletariat which, with no job security or definite class identity, fills the area of probationary, contracted, casual, temporary and part-time employment” (Ibid.,: 66).

Unlike Marx’s proletariat, this subject no longer defines itself “with respect to its position in the process of social production,” but rather by the fact that it appears to belong to no class, by the very exclusion from society that is the source of its radical potential and its potential radicality. As a “non-class,” it doesn’t seek emancipation from within labor, but rather more generally *from* labor. Gorz thus offers a fundamental critique not only of Marxism, but of the idea of progress and of the “meaning of History.” It is no longer possible to imagine a highly industrialized society beneficial to all like the one Marx dreamed of. At best, we might be able to conceive, parallel to such a society, of increasing “*areas of autonomy*” freed from labor (Ibid.,: 73). At which point, it’s no longer a question of seizing “power,” but of constructing, on its margins, other forms of agency, other organizational forms.

It was for this reason that Gorz and Marcuse both saw in the Black Panthers a kind of living incarnation of their theories. Some of Eldridge Cleaver’s ideas in particular seemed to them perfect expressions of their own, as when Cleaver described the central problem of our era as the new contradiction between the lumpenproletariat on one side and an alliance between the working class and the bourgeoisie, on the other. For Cleaver (1972: 6), the working class had thus “turned their jobs into property, which they possessed as a right,” *de facto* excluding those without work from any part in the production and distribution of wealth.

The end product is a “miserly, stingy bourgeoisie with a greedy working class lickspittleing its boots, standing there with the money bags, tossing out small change like tossing corn to the chickens” (Ibid.: 7). The socialization of the means of production that we find in Cleaver’s writings is very different from

the one we find in Marx. The *lumpen* will have to struggle to seize physical control of the instruments of production, snatch them out “of the hands of the bourgeoisie, and the working class” (Ibid.: 8). Today, far from being a revolutionary force, the working class “has become as much a part of the system that has to be destroyed as the capitalists themselves. They are the second line of resistance, after the cops” (Ibid.: 11). This working class is no more than a “parasite on the human race”, bought off and corrupted by the lure of safe, secure jobs (Cleaver, 2012: 237).

This position, despite the fact that for the Panthers it was more a theoretical façade than actual political practice, would find itself echoed in many intellectual contexts and, in fact, could be said to emblemize the theoretical displacements characteristic of the 1970s and after. Indeed, it is a version of this perspective that—in different degrees—remains central to contemporary leftist Marxist thinkers like Antonio Negri, David Harvey, Slavoj Žižek, Nancy Fraser or Alain Badiou. Negri, who may be the most obvious example of this tendency, argues that in our era, the major agent of social transformation is the “multitude” — composed of a vague “conglomeration of those with unstable employment, youth, women, part-time workers, the unemployed, but also workers, students and immigrants” (Abdelnour, 2012:54)—that replaces that old conception of the “proletariat” and its traditional forms of mobilization. For David Harvey, the whole perspective of urban struggles is elaborated precisely according to the postulate that the traditional workers’ movement based on the workplace has been problematized by the developments of the last 30 years. The very idea of a “right to the city” was first articulated by Henri Lefebvre (1972: 281) as a consequence of the fact that in our age the “territorial implantation” of the working class apparently has “as much importance” as “work itself, the space and conditions of labor.”

Harvey (2012: xiv) thus insists on the fact that “in much of the advanced capitalist world the factories have either disappeared or been so diminished as to decimate the classical industrial working class.” In his view, “the so-called ‘precariat’ has displaced the traditional ‘proletariat’” and “if there is to be any revolutionary movement in our times, at least in our part of the world...the problematic and disorganized ‘precariat’ must be reckoned with” (Ibid). Alain Badiou (2010) says essentially the same thing when he declares that the *sans-culottes* of the coming revolution will be composed of “part of the youth, intellectuals, lower middle-class French wage-earners, and then of course those who are always the first to be persecuted—that is, foreigners and the unemployed.” Social change will thus depend on an alliance of the “new proletarians who have come from Africa and elsewhere and the intellectuals who are the heirs to the political battles of recent decades” (Badiou, 2010: 99).

Analyzing the difference between the crisis of the 1930s and today, Nancy Fraser (2013) also estimates that “the class division between labor and capital ceases to appear self-evident, becoming obfuscated by the seemingly more salient divide between the thinning ranks of the stably employed, on one hand, and the swelling precariat on the other.” In such a situation, it strikes her as evident that “organized labor does not speak for society as such. In the eyes of some, it defends the privileges of a minority that enjoys a modicum of social security against the far greater number who do not” (2013: 124).

Even Slavoj Žižek (Op.Cit.:100), while observing the way in which “this focus on the walls that separate the Excluded from the included may easily be misunderstood as a clandestine return to the liberal tolerant-multicultural topic of ‘openness’ (‘no one should be left out, all minority groups, lifestyles, etc., should be allowed in’),” nevertheless thinks that there exists today an “antagonism between the ‘Included’ and the ‘Excluded’ (Ibid.: 98).” And if he recognizes that this type of thinking can come “at the expense of a properly Marxist vision of social antagonism,” he still argues that “the creation of new forms of apartheid, new Walls and slums” deepens the yawning chasm already separating the “Included from the Excluded” (Ibid.: 91) and is one of the principle antagonisms of contemporary capitalism. In his analysis, we must accept and integrate into our symbolic universe the end of the old conception of the proletariat and forge a “more radical notion of the proletarian subject.”

Today, he thinks, “only the reference to the “Excluded” justifies the term communism” (Žižek, 2010: 214). Which is, in essence, the same idea advanced by Jacques Rancière when he centers his philosophical discourse around the question of the “part of the partless” (*la part des sans-part*), or by Ulrich Beck, who argues more recently that class as the central fault-line of the social has been replaced by the opposition between “a growing minority of the unemployed, those without steady employment, or those excluded from the labor force and the majority of active, full-time workers” (Cited in Pfefferkorn, 2007: 112). And ever since the appearance of William Julius Wilson’s *The Truly Disadvantaged* in 1987, the “underclass” has played a parallel role in the United States, precisely because Wilson’s focus on poverty and unemployment in the “inner city” displaces the question of poverty and unemployment (not to mention inequality) as such. We can begin to see some of the problems of this schema, however, when we see it deployed not only by left intellectuals but also by politicians and political figures not at all on the left, and whose aim is essentially to limit access to social benefits. Indeed, we might wonder if, when Margaret Thatcher set the “privileged and protected welfare underclass” against the British “who work for a living,” she wasn’t simply articulating something like an inverted form of Eldridge Cleaver’s argument.

And when Nicolas Sarkozy prides himself on his refusal to tolerate “those who don’t want to do anything, who don’t want to work [to] live off the backs of those get up early and who work hard” (Halimi, 2008: 19) is he not enlisting the same terms as André Gorz? The conservative right’s neoliberal doxa essentially seeks, as Serge Halimi argues, to “redefine the social question in such a way that the line of social division is no longer one that opposes the rich and the poor, capital and labor, but rather runs between two fractions of the ‘proletariat’—between those who ‘have given up enough, lost enough, and have had enough’ and those who are in the ‘welfare republic’” (Ibid., 19).

Neoliberal attacks thus target this new, urban proletariat with unsteady employment prospects in the same way that, in the U.S. well before it ever spread to Europe, policies cutting the social safety-net were carried out in the name of curing a “culture of dependency” rife among an “underclass” (generally associated with African-American communities). The central thesis of neoliberal thought and authors is that the poverty and unemployment of this “underclass” is the product of their backward-looking cultural horizon and behavior. Or, as ultra-conservative commentator Charles Murray (2006: 61) puts it, “they are usually poor, but poverty is a less important indicator than personal behavior destructive to themselves and to their communities.” When protests or uprisings do indeed occur, explanations such as personal “vice” or indeed “laziness” get trotted out as explanations for these subjects’ poverty and, more generally, their antisocial behavior. The vast majority of the most radically inegalitarian policies, then, “could be traced to the ‘nonworking poor’” (Piven et al., 2006: 365). In this discursive and political configuration, it’s not workers who are “privileged.”

On the contrary, it’s the poor who live off a welfare system that encourages their refusal to work. Indeed, this very argument was at the heart of the private speech that Mitt Romney gave to wealthy donors during the 2012 presidential election. In his view, the election was going to be tight for any republican in a country where, according to him, 47% of Americans “pay no income tax” and are “dependent upon government.” Such voters “believe that they are victims, [they] believe the government has a responsibility to care for them,” were bound to vote for Obama. His goal, then, was “not to worry about *those* people” (Shearand Barbaro, 2012), but rather to court the votes of “honest,” hard-working Americans. Like the intellectuals on the left, he is committed to the fundamental difference between the supposedly new precariat and the supposedly old working class.

The economic crisis of 2008 has helped to spread this discourse in Europe. In a lengthy interview with *De Standaard*, the Flemish nationalist leader, Bart De Wever, declared for instance that the contradiction between capital and labor was a thing of the past—henceforth, the new line of demarcation was situated between the “productive” and the “unproductive” members of society. For him,

“the State is a money-breathing monster. And where does it get the money? From those who create value. And who consumes this money? The unproductive—they’re so electorally important that this policy just keeps being perpetuated.” In France, Jacques Bompard, a far-right deputy in the French parliament’s lower house, proposed a law that would require people receiving unemployment benefits to work for free. Far from being new, this very idea was part of Nicolas Sarkozy’s platform during his first bid for the presidency. In 2007, he proposed that “those who benefit from social aid perform some service in the public interest—this will incentivize them to take a job rather than live off welfare.”

In England, David Cameron justified his party’s social reforms, limiting the amount of monetary aid to the unemployed, by declaring that the system of social solidarity “has become a lifestyle choice for some.” The changes advocated by these politicians are thus presented as a way of re-establishing a sense of “fairness” in a system that punishes those who “work hard” and rewards those who are content to live a life of “dependency.” This discourse has become a hegemonic view, incarnating a general tendency on the continent to celebrate those “productive members of society” who “get up early” and to disparage the unproductive ne’er-do-wells “on the dole” (*les assistés*) every time a politician or intellectual needs to legitimate austerity reforms or the increase in inequality (<http://www.lesoir.be/221184/article/actualite/monde/2013-04-07/david-cameron-vivre-des-aides-sociales-est-un-choix-vie>).

Obviously, the political content of such proclamations on the right differs radically from those of Marxist critics and intellectuals at the end of the 1970s. What they share, however, is the assumption that it’s the *surplus population* who, depending on one’s position, are either the problem or the solution to the problem. One way or another, both see the surplus population rather than the working class, as the central political agent/subject. How indeed can we fail to notice the paradoxical relation between André Gorz’s “non-class” and the “underclass” so dear to Charles Murray? For Gorz, as for neoliberalism, the problem is the relation to labor, not the fact that labor is exploited. Gorz sees in the surplus population a relationship “freed” from work where Thatcher sees the “vice” of idleness that needs to be stamped-out.

One raises Paul Lafargue’s “right to laziness” to a virtue where the other sees in it an injustice that must be combatted. But, fundamentally, both follow the same logic. On the left as much as on the right, they’re happy to have the surplus population be the problem precisely because it displaces the old outmoded and dogmatic idea that the crucial problem was actually exploitation. This transition plays a role, then, in “eclipsing the critique of exploitation by focusing attention on the victim whose rights have been denied—prisoners, homosexuals, refugees, etc.” (Garo, 2011:70). Both sides, right and left, are

happy to oppose two segments of the proletariat who, thanks to the neoliberal evolution of the global economy, can be organized around a destructive cycle of competition with one another.

From Exploitation to Discrimination

The fundamental problem with this approach is that it replaces abstract analysis (i.e., of exploitation) with a more immediate analysis of the global economic logic of capitalism (i.e., of discrimination) seeking, above all, to denounce status differences within the proletariat. Indeed, the distinction between the unemployed and the employed worker is not a class difference, but solely one of intra-class status. The theoretical and political importance bestowed upon the “subaltern” factions of the proletariat is then justified on the basis of the various forms of discrimination within the proletariat.

What counts most is that these factions are “isolated,” “humiliated,” “frustrated,” “victims of segregation,” “suffering,” or “ethnically marginalized.” Similarly, the rejection of the capital/labor antagonism is defended on the basis that workers nowadays are “reactionary,” “racists” benefiting from “white privilege,” “consumerist,” “bourgeoisified,” and generally “part of capitalist ideology.” The differences underscored by these descriptions essentially articulate the types of oppression and discrimination of which each group is the victim. Some (the surplus population) are “the most oppressed” and others become “the privileged” whose stable, safe existence has ultimately transformed them into individualist consumers whose revolutionary potential has been shattered. At the structural heart of this type of analysis is the process that distributes the effects of inequality rather than those which produce it in the first place.

Forms of discrimination, stigmatization, and exclusion from the labor market structure the organization of class, but produce neither unemployment nor unstable employment (*le travail précaire*). As Ken Kawashima (2009: 7) notes, “the contemporary proliferation, reproduction, and exploitation of contingent work ought not blind us to the fact that this type of labor, along with the inexorable contingency of the commodification of labor power, are endemic traits of the capitalist market economies and have been since the development of industrial capitalism.” From this point of view, what we see emerge in the discourse of the surplus population is a desire to substitute a *difference in the way people are treated* (i.e., the different forms that belonging to the proletariat can take) for the *class difference* that generates the very structures of capitalism and exploitation, which is to say, the proletariat itself.

The problem with the turn that numerous authors and thinkers on the left have taken is not that they’re wrong about the reality of this ever-growing “reserve army of labor” and its immiseration; it’s that they’ve replaced the

abstract analysis of the structures that produced it with an all-too-often subjective adjudication of who is “the most” dominated, discriminated against, or excluded. By affirming that the major contradiction of our time is between the “included” and the “excluded,” between the *lumpen* on the one hand and the organized working class on the other, they have replaced a *structural difference* (inherent in the mode of organization of capitalist economies) with a *contingent difference* (the product of a certain stage of economic development). The main effect of this approach, which necessarily ends up pitting different segments of the wage-earning working class against each other (on the basis of their different identities), is that it makes it difficult to think abstractly about the forces that produce inequality within the proletariat and leaves us stranded at the level of their immediate forms. In effect, for these two types of *differences*, it gives us two types of identities.

The first is *generic* and refers back to the notion of the proletariat. Founded on capitalism’s basic organization of social relations, the proletarian *qua* concept consists of the ensemble of agents who are constrained to sell their labor power in order to live, and comprises in equal parts those who are employed and those who are not. After all, the *word* proletariat initially designated a Roman citizen whose only wealth was his children (*proles*). Exceedingly poor, the proletariat constituted the least respected class in Roman society, having only its labor power—and those of its children—as potential source of income. So it is worth underscoring that “proletariat” was not a synonym for “wage-earning worker” (*travailleur salarié*) but for something like “dispossession, expropriation and radical dependence on the market.” In sum, “you don’t need a job to be a proletarian.” More than (or rather than) an identity, the idea of proletarian constituted a category, derived from the general processes of exploitation and inequality. The proletarian is a function of the economic organization of capitalism (Denning, *Op.Cit.* 81).

The second type of identity is more *prescriptive*, based on the immediate form (which is obvious) that the proletariat inhabits in the real economic process, and much less general. Here, one might well distinguish the wage-earner from the poor, the poor from the unemployed, the unemployed from the undocumented, and indeed the “white” worker from “black” (Denning, 2013:55). The deployment of these categories and their political efficacy—both derived from the workings of global capital—tend to emphasize the identitarian dimension of inequality rather than its more impersonal dimension (which is less obvious): i.e., *the accumulation of capital* and the subsequent, or parallel, creation of the reserve army of labor.

The status differences separating the *surnuméraires* from workers do not refer, then, to a structural difference within capitalism. They are instead a function of the forms of domination to which these differences are subject(ed), and which

in turn fashion the sorts of identities that proletarians may adopt in the social structure (e.g., unemployed, worker, employee, part-timer/temp, undocumented, immigrant, racialized, etc.). All in all, we can detect in this sort of approach a variation on the liberal themes of diversity and multiculturalism, the end result of which is the transformation of class conflict into ethnic or, more generally, identity conflicts.

Indeed, despite the substantial differences between these two modes of representing social inequalities (one based essentially on “respect” and the other is still preoccupied with the question of “inequality”), the fact remains that both take as their principal concern or adversary the *form* that inequality takes rather than the phenomenon itself. Now, if it is clear that being employed is better than being unemployed (unlike cultural or racial identities, none of which is “better” than any other), what the two logics have functionally in common is a disavowal of the category of exploitation.

Both simply reject the centrality of exploitation, and, with it, the contradiction between capital and labor, because their way of conceptualizing the problem isolates the groups they identify from the very relations of exploitation that produce them *qua* group. The problem is therefore not so much inequality as seen through the lens of exploitation, but rather the way in which effects of inequality get distributed throughout society (with certain groups comparatively sheltered from them, and others not). But, of course, a society in which everyone were equally exposed to inequality would hardly be more desirable than the currently existing one in which some segments are disproportionately subjected to it. If unemployment were not concentrated in specific sectors of the population, but distributed more randomly the salariat might of course be less fragmented along identitarian lines, but the global level of unemployment and inequality would not meaningfully diminish.

From this standpoint, the problem is not just the political and economic developments since the ‘70s but the logic of the argument itself. That is, as different as post-industrial society may be from what preceded it, the focus on the “excluded” nevertheless leaves the fact of inequality as such untouched, and the fact that the post-’70s change in the structure of inequality has been accompanied by this change in efforts to combat it has only instead served to reinforce it. On the one hand, it’s obviously true that none of the leftist (or in the U.S., liberal) authors cited above understand themselves as supporting a society in which inequality is more equally distributed but absolutely undiminished. On the other hand, it’s difficult to deny that the effect of, say, William J. Wilson’s work on the concentration of poverty was anything other than, as Kenneth Warren remarks, to “create the reform context” in which it was possible for the Clinton administration (2013: 56) to commit itself to dispersing poverty rather than dispelling it. More generally, attacking the form

inequality took rather than the mechanism that produced it in the first place could only, from the standpoint of social critique, amount to a regression.

From this standpoint, it's easy to follow Fredric Jameson (2011:150) when he maintains that putting the emphasis on the "excluded" is an "essentially moral or ethical gesture, which leads to punctual revolts and acts of resistance rather than the transformation of the mode of production as such." The notion of exploitation leads us, then, to the very heart of the production of inequality, whereas forms of discrimination or, in Jameson's terms, domination, only bring us back to its mode of *reproduction*. In this sense, the relations that each perspective, that of exploitation or that of domination/discrimination, maintains with respect to the question of inequality are very different. It thus seems clear that "the outcome of an emphasis on exploitation is a socialist program, while that of an emphasis on domination is a democratic one, a program and a language only too easily and often coopted by the capitalist state" (Ibid). And this is precisely, as Walter Benn Michaels (2004: 24) has pointed out, one of the principle ideological effects of neoliberalism—i.e., changing the subject from "differences between what people own (class) to the differences between what people are (identity)." One's position in the (class) relation capital/labor is no longer the object of a fundamental contradiction. Rather, what takes center stage is what/where one *is* (one's identity) in the relations of domination within one's own class (unemployed, underemployed, immigrant, etc.).

Marginalization as Oppression: Drivers of Insecurity and Exclusion

The current security paradigm adopted by most governments and their defence forces is based on the premise that insecurity can be controlled through military force or containment, thus maintaining the status quo. This has been termed the 'control paradigm' and is 'self-defeating in the long-term' (Abbott et al, 2006). Oxford Research Group (ORG) argues that a new way of approaching security is needed, one that addresses the drivers of conflict: 'curing the disease' rather than 'fighting the symptoms'.

One alternative is the concept of 'sustainable security'. The sustainable security approach is inherently preventative (where the 'control paradigm' is reactive), in that it addresses the likely causes of conflict and instability well before their effects are felt. Oxford Research Group aims to encourage in-depth, original thinking amongst decision-makers and civil society around sustainable responses to long-term trends in global security that we have identified as likely to cause unprecedented international tension and loss of life in the coming decades.

The likely future drivers of insecurity do not respect national boundaries, and will not be sustainably addressed by unilateral approaches. For example, as competition over energy resources increases with depleting supplies of fossil fuels, it will become more vital that positive collaboration between consumer nations in the West and resource-rich nations in the South occurs. Many 'Southern' energy-supplying nations have not had positive relationships with Western powers historically, including Iran, Venezuela and Libya.

In a globalized world, in which no nation's security is independent of their region or of the wider international community, the opinions of the majority world can no longer be neglected by the major powers, who seek to dictate global security policies. The sustainable security approach posits global justice and equity as key requirements of any effective response to global insecurity. Voices from the Global South remain on the periphery of discussions around global political and security issues, and particularly at the negotiating tables of international institutions. This has already been subject to much debate.

For example, the Global Governance Group (3G)—an informal group of small and medium sized non-G-20 member states—recently came together to assert the need for 'more effective global governance mechanisms' that recognise the impact of G-20 decisions outside of G-20 countries, and engage all nations in decision-making on issues of global concern (Ambassador Vanu Gopala Menon, 2010). The implementation of a newly egalitarian approach to international relations can begin with a close engagement in Western organisations with majority world thinking. Security analysts and policy-makers must continue to engage and collaborate with counterparts in the Global South, ensuring that the sustainable security project puts into practice the idea of a truly inclusive global politics.

Many future security problems, and also the solutions, will be found in the Global South, within the very populations whose marginalization has resulted in much contemporary insecurity. Whilst climate change, for example, will hit the poorest communities hardest, it is with emerging economies like China, India and Brazil that the West must engage, if mitigating climate chaos is to have any success at all. These non-Western perspectives must be recognized and addressed in concrete policies in the powerful countries of the Global North. Such policies should be focused on transforming tensions at their root rather than solely attempting to control violent conflicts once they have already broken out.

I wish to emphasize here that the UK's Stern Review recognizes that 'Climate change is a grave threat to the developing world and a major obstacle to continued poverty reduction across its many dimensions (...) Developing regions are at a geographic disadvantage: They are already warmer, on average, than developed regions, and they also suffer from high rainfall variability (...).

Second, developing countries—in particular the poorest—are heavily dependent on agriculture, the most climate-sensitive of all economic sectors, and suffer from inadequate health provision and low-quality public services. Third, their low incomes and vulnerabilities make adaptation to climate change particularly difficult’ (2006: vi).

Marginalization as Driver of Global Insecurity

Divisions between the rich industrialized North and the ‘majority world’ are a key and intensifying driver of global insecurity. While overall global wealth has increased, the benefits of this economic growth have not been equally shared. The rich-poor divide is growing, with a heavy concentration of growth in regions of North America and Europe in particular, and the ‘majority world’ of Asia, Africa and Latin America (UNDP, 2009: 35). These Western states, and small elites in Southern states, are attempting to maintain political, cultural, economic and military dominance in a world where emerging economies are gaining power.

Deepening oppression and political exclusion amongst communities in the South combine with poverty and discrimination to present an increasingly dynamic threat to national and international stability. The sense of increasing marginalization is more keenly felt as improvements in education and modern technologies allow those ‘at the margins’ to witness the wealth and opportunities of elites (both in the North and in their own Southern nations). This leads to an increased likelihood of radicalization and political violence. Current responses to this radicalization are in line with the control paradigm’s approach (dealing mainly with publically visible and immediate threats such as the al-Qaida movement), and sometimes actually work to increase support for extremist and violent groups.

Poverty and Inequality

Without a doubt, capitalism has done more to advance certain aspects of humanity than any other economic system to date. But, something is happening. As capitalism’s limitations become more and more apparent, economists, professional and otherwise, are attempting to mitigate its inherent flaws by calling for a return to ethical or “conscious” capitalism. If capitalism is the end-all economic system, why would we need to do that? The three central elements of capitalism are **capital accumulation**, **competition** and a **price system**. There is a fourth element that is required as a derivative of the first three to sustain capitalism—**growth**. Let’s take a look at the most flawed component first, **competition**. Capitalism requires a loser is for every winner. We see this

as the true trickle-down effect as (more than) half the world continues to be mired in ridiculous man-made poverty. Though capitalism is not the economic system for the entire planet, it interacts with other economic systems, participating in poverty wages and deplorable working conditions. We also see that competition is a short-sighted “survival of the fittest” mechanism.

Poverty and the ‘Control Paradigm’

Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. It is powerlessness, lack of representation and freedom. It is inability to exercise democratic rights and being unable to voice concerns.’
(Bett and Kimuyu, 2008: 2)

Poverty, inequality and the consequent scarcity of resources have a combined destabilizing impact on political stability (Draman, 2003). Marginalization from mainstream political society and frustration at inequality render such radical solutions increasingly appealing. For example, in Pakistan, those regions most economically and socially depressed have witnessed a rise in extremism (Akhtar, 2009) [see Marginalization Cultivating Radical Ideologies, below]. Whilst this extremism partially impacts upon local security, it is also designed to make waves in the wider international community. For example, chronic food insecurity in Baluchistan (Pakistan) has ‘aggravated the sense of marginalization’, encouraging the rise of insurgency groups. In 2009, the *Baluchistan Liberation Union Front* kidnapped John Solecki, Head of the Local Office of the UN High Commissioner of Refugees. On his release he was given a message from his kidnappers saying they had intended to ‘highlight the miseries of their people to the international community’ (Suleri, 2010: 81). The Baluchistan Liberation Union Front are part of a wider movement—some violent, some not—that for some decades been waging an anti-federalist war against the Pakistani government (partly as a result of perceived exploitation by neighboring Pakistani provinces).

Security policies have responded with attempts to control such threats, for example through the ‘war on terror’. Both the rhetoric and the strategy of this campaign have often been counterproductive, actually increasing support for movements such as the al-Qaida network (Rogers, 2003). Traditional methods aiming to control threats with military force have been used; these traditional methods of counterterrorism ignore the underlying socio-economic realities that encourage support for radical movements.

Communicating Marginalization

While there is a ‘transglobal elite’ spread across the ‘West’ (primarily in North America, Western Europe, Japan and Oceania), as well as many nations in the South (particularly Brazil, China, India and pockets in Africa), the world’s poor are principally located in sub-Saharan Africa, Latin America, Asia, the Middle East and North Africa. In these nations, there has recently been a significant increase in literacy, alongside growing access to radio, television, mobile phones, and the Internet. Even if many parts of the South are still data poor, some areas have ‘leap-frogged’: halting the development of nation-wide traditional telephone infrastructure, and instead investing in and facilitating private companies in internet and mobile phone networks (Nyabiage, 2011). For example, cable-optic provider *Seacom* have installed a high-speed internet capability covering Kenya, Rwanda, Tanzania, Ethiopia, Uganda and Djibouti, which is soon to be expanded to Somalia, Southern Sudan and Burundi (ibid).

One of the impacts of access to such networks of communication, along with welcome improvements in education and literacy, is that far more people have an awareness of their own marginalization. The access to new media will inevitably affect the young most, in their schools and social networks. Children and the young are also predominant in the poorest income groups: Every second child is living below the poverty line (UNICEF, 2005). The number of children and young people, particularly in Africa, is also growing. The average fertility rate for the developed world is 1.5, with 5.5 for the developing world and about 6.0 for Africa (Draman, 2003: 10). Draman calls this a “youth bulge” with ‘serious social and security implications’ (ibid).

In Pakistan, half the population are under the age of twenty, and 66% under the age of thirty (Akhtar, 2009). In the Federally Administered Territorial Area in Pakistan, employment opportunities are severely limited, with 60% of its population living below the poverty line. This low economic development has allowed the Taliban to ‘exploit’ the youth (ibid).

Many under-25s across the Global South face ‘lifetimes of unemployment, underemployment or low pay’ (Rogers, 2009: 11), and at the same time have a growing awareness of ‘the far more comfortable lifestyles and prospects of the elites’ through the media, for example, making an inclination towards radicalization not unpredictable (ibid). This, we have seen with the ‘Arab spring.’

Disparities of Wealth and Opportunity

Despite improvements in development in a number of areas, this has not equated to a reduction in relative inequality. Although poverty in itself can be a security concern, inequality can also be ‘socially inefficient and divisive’ (Bett

and Kimuyu, 2008: 14), increasing involvement in radical movements [see *Marginalization Cultivating Radical Ideologies*, below], crime [see *Crime and Local Security*, below], political dissent that may become violent, competition over economic assets, and labor disputes.

The global financial crisis since 2008 has driven inequality further and the economic policy responses from some governments threaten to worsen this (Bornay-Bomassi, 2009). Particularly hard hit by the global downturn are nations vulnerable to natural disasters, such as Caribbean economies prone to hurricanes, and affected by a reduction in their tourist industry and international oil price fluctuations (Joseph-Harris, 2011). For example, many Asia-Pacific countries were on course to meet the Millennium Development Goals, but following the economic crisis this is no longer the case. Fewer employment opportunities worldwide mean less remittances or money sent home to families from relatives living abroad and deeper local poverty that primarily affects the vulnerable, landless and dispossessed, contributing to insecurity (*ibid*). When economic recession combines with population stresses, leading to competition over access to resources, there is worrying historical evidence pointing to a high likelihood of violent conflict, e.g. in Liberia, East Timor and Sierra Leone. This risk is particularly enhanced when combined with resentment towards corrupt governments (*ibid*).

Crime and Local Security

Visible inequality can encourage criminal activity; firstly as a result of need (poverty), secondly through the visibility of wealth, making targeting easy, and finally, through increased anger and resentment at the disparity in security, opportunities and wealth between elite and deprived communities. This is particularly true where poverty and wealth sit side by side in close proximity, which is increasingly the case in ‘mega-cities’ such as Rio de Janeiro and Lagos.

In some areas, the response to high crime rates and fear of crime has encouraged the foundation of ‘gated communities’ (sometimes known as ‘fortified enclaves’ or ‘enclosed neighbourhoods’). These communities are becoming increasingly common in East Africa—Kenya, Uganda and Tanzania—and also in South Africa and Brazil - nations with acute inequality issues (Landman and Schonteich, 2002:72). Caldiera calls this a form of ‘spatial segregation’ (1999: 114); communities are ‘privatised, enclosed, and monitored’, and one could conduct most of one’s life in them, as they provide for ‘residence, consumption, leisure and work’ needs (*ibid*).

In Brazil, the risk of violent crime is unequally distributed over geographical areas and social groups, with a concentration in urban and metropolitan areas, and within groups who are living in poverty. It is in these areas that the

‘problems of poverty, unemployment and the lack of adequate housing and basic services, including health, education, transport, security and judicial services, are most acute’ (Landman and Schonteich, 2002: 76). This is partly a result of rapid urbanisation, occurring in Brazil from the 1960s onwards, where communities transferred themselves “en masse to the cities”, creating conditions of “deprivation, exploitation and poverty” (former Security Secretary Luiz Eduardo Soares, quoted in Phillips, 2007: 58).

In these contexts, it can be tempting to withdraw into situations of ‘total security’. However, the danger is that residents embrace stereotypes, automatically labeling different social groups as ‘dangerous, to be avoided and to be targeted by the police and private security officers’ (ibid., p. 82). This behavior will only further embed the feelings of resentment that drive crime and insecurity.

Frustration at inequality can be acute in situations where the income from visible natural resources is not shared amongst the surrounding communities. This has been particularly the case in Nigeria, where the Niger Delta region has been subject over the last decade to internal tension, sometimes labeled ‘fighting for freedom’, sometimes as ‘criminality’ (Nwozor, 2010: 32), as a result of the exploitation of their oil reserves by large multi-national corporations. Dissatisfaction is engendered particularly where valuable local resources serve only the ‘privileged elites (...), companies and their shareholders and Western industrialized countries’ (Bainomugisha et al, 2006: 3).

In Nigeria, despite a ballooning of revenues from oil, poverty more than doubled between 1970 and 2006, rising to 70% (Akpan, 2009), and environmental degradation alienated people from their traditional livelihoods - farming, fishing and hunting (Nwozor, 2010). Such inequities have led to the foundation of a range of insurgent and splinter groups in the affected Niger Delta region, e.g. the *Movement for the Emancipation of the Niger Delta* (MEND). MEND has been linked to attacks on extraction operations, theft, property destruction, and the capturing of many foreign oil workers, demanding ransom for their freedom. Support for MEND comes primarily from young people and ‘impoverished peasants’, whose farm lands and fishing creeks, their sole source of livelihood, have been destroyed (Okonta, 2006). In Urabá, Colombia, crime and conflict have arisen where poverty, landlessness, a weak state, and a new ‘resource-rush’ combine. Amira Armenta explores the case of *Curvaradó* and *Jiguamiandó* in the following case study.

Marginalization, Crime, and Insecurity

Poverty and marginalization must be put firmly on the agenda of peace and security specialists. There must be a widespread acceptance of inequality as a driver of insecurity and conflict. The defence community must grow to see aid

spending, redistribution of wealth and the reconfiguration of trade and political institutions, not merely as ‘soft power’ and ‘conscience-salving’ on behalf of old colonial powers, but as a critical step in making the world a safer place. In fact, they need to act as advocates for such steps.

As Suleri points out, in the aftermath of the 9/11 terrorist attacks, the United States gave \$11 billion to Pakistan in the form of budgetary support, economic assistance from USAID, military assistance, and Coalition Support Funds from 2002 to 2008. ‘This money, if spent judiciously and with political will, could have alleviated the suffering of millions facing extreme poverty and chronic hunger, thereby saving Pakistan from growing militancy. Alas, it was not’ (2010: 82). Redistribution of wealth can also mitigate conflict between different ethnic and social groups at a local level (Bett and Kimuyu, 2008: 1).

Resource security, particularly related to food and water access, is a critical part of the picture of poverty and marginalization. While water-users at a local level are not blind to the social power relations that mediate water security, ‘power elites’ view water as a resource to be ‘deployed toward modernist economic development’; they ignore the ecological and social roles of this crucial resource (Mustafa, 2010: 2). This has to change in order to mitigate the extremism and insecurity that can occur as a result of frustration at growing resource scarcity.

In recent decades, Western governments and their military strategists have often regarded threats as stemming solely from the Global South (or from immigrants or proxies in the North). The South (particularly areas of strongly contrasting ideology) has therefore been seen as an area that needs to be controlled in the interests of Western security. This approach doesn’t recognize the ways in which economic and political marginalization (that Western governments sometimes collude in) drives conflict, nor the interconnected nature of today’s world. As Paul Rogers puts it: “The castle gates simply cannot be closed (2009: 6).”

In order to create a more sustainable approach to security, the Western security policy community must lay down the tendency to see the majority world as a collection of weak or failed states that present a challenge to their power and safety from which their citizens need to be protected. Instead, the Global South must become a partner in creating a more peaceful world. This can begin with the reform of international institutions. The UN Security Council, for example, still lacks permanent members from Africa, Latin America and the Middle East. Such partnerships need not be construed as an alliance, but they must be characterized by a genuine dialogue that understands and responds to marginalization as a driver for criminal and violent activity, and therefore global insecurity.

In Colombia, for example, there are many regions where poverty and the absence, or weak presence, of the state has facilitated the emergence of violent armed groups. Among these, are the Afro-Colombian communities of the *Curvaradó* and *Jiguamiandó* in the Urabá region. The Urabá is located in the Northwest of Colombia, near the border with Panama. It is a region of great biodiversity, rich in minerals, oil, water, and timber, amongst other natural resources. Urabá is also one of the regions with the highest poverty rates, and lowest rates of schooling in the country. Many indigenous peoples and Afro-Colombians, who are the traditional owners of hundreds of thousands of hectares of land, inhabit the region. Collective ownership of these territories is supported by Colombian Law 70 of 1993.

With the rise of drug trafficking in the country in the 1980s, the region became a point of export of illegal narcotic drugs. At the same time, the illegal import of weapons soared to meet the growing demand of Colombian armed groups. Various increasingly powerful criminal groups (known as ‘paramilitaries’) began to invest money earned from their illegal activities in profitable lawful sectors such as the agribusiness—palm oil, bananas and cattle. In a few years, Urabá went from being a marginal and sparsely populated region to a place where settlers converged, and multinational corporations and armed groups of all stripes were vying for control of territory and a stake in the business.

In this context, poor rural communities such as *Curvaradó* and *Jiguamiandó* were sucked into the violence unleashed between the different armed groups. As the collective ownership of land was an obstacle to the economic interests of the new sectors (farmers and landowners whose funds often had an illicit origin), these groups used threats and harassment to banish the native people and appropriate their land. This violence and banishment was possible given the state of marginalisation of the population, totally unprotected by the central government. Large palm oil plantations installed since then in the area have been financed largely with the laundered drug money. They use land violently obtained by the forced displacement.

Since the 1990s, the *Curvaradó* and *Jiguamiandó* communities have specifically been the target of violence and subsequent displacement. They have lost their few belongings and have helplessly seen the powerful economic groups systematically seize their land. The Colombian government recently began a process of returning land to the inhabitants of the river basins of *Curvaradó* and *Jiguamiandó* and reparation for victims of violence. The move is encouraging, but it might not be enough to solve the problems. The history of violence can repeat itself any moment, as long as the causes that led to the banishment and violence are not addressed and those responsible are not punished. Justice should be done, not just to those still operating outside the law, but also to those who now

operate legally but whose past is murky. Whilst the Colombian government fails to bring social development programs (including education, health and infrastructure) and sustainable economic development policies to communities, the people of *Curvaradó* and *Jiguamiandó* will remain poor, uneducated, vulnerable, and at risk of losing their territories once again.

Migration, Health and Poverty

The study of the marginalization of undocumented migrants tends to focus on how states govern migrants in order to reinforce its sovereignty. These are important accounts, but the tendency is then to think the marginalization of undocumented migrants as being of a significantly of different order to the marginalization of other groups or populations. I am arguing that the contemporary neoliberal relation to politics, economy and the law cultivates surplus populations, amongst which are undocumented migrants. Their marginalization, while possessing singular features, is related to the marginalization of other groups' surplus to a neoliberal political economy. It is important to understand this common marginalization as part of an ongoing history of the relationship between capital and labor. Understanding common marginalization would be useful in understanding the possibility of political change.

Poverty and Life

Poverty impacts upon all parts of life. In the Niger Delta, the collapse of the rural agrarian economy resulted in food and employment shortages. This has triggered rural-to-urban migration, providing the context for an increase in sex work that increases peoples' vulnerability to HIV (Udoh et al, 2009: 567). Labor migration is a key driver of the spread of HIV, with the movement of predominantly male unemployed adolescents and adults, and similarly unemployed women and girls, being more likely to use prostitution as a form of income (ibid, p. 568). 'HIV follows poverty, infiltrating regions where hunger, unemployment, and conflict prevail' (ibid).

The economic destruction rendered likely by the continuing spread of HIV/AIDS and the large number of expected deaths (including primarily the generation who work and who parent families) may overwhelm social and medical structures in many African countries. The orphaned children may be more vulnerable to recruitment by rebels, terrorists and criminal gangs; furthermore, in some African countries as many as 50% of new military recruits are HIV positive (Sarin, 2003: 17). This has implications for 'military readiness', as some states have been hesitant to engage in peacekeeping missions for fear

that soldiers deployed may further spread the virus, or bring it back to their local communities when demobilized (ibid., p. 17).

Economic migration has been greatly affected by the global economic downturn. More people find it necessary to move for work, and conversely, people who have moved for work are more at risk of losing their jobs (Bornay-Bomassi, 2009). In 2009, it was estimated that Singapore repatriated up to 200,000 foreign nationals, Indonesia up to 400,000, and Bangladesh up to 70,000 (ibid). This seriously affected those families reliant upon remittances, and those nations that have an influx of returning workers, then looking for work in their home states.

Urban and rural divisions can be strata along which national and regional hierarchies and insecurities are drawn. Sometimes urban areas can be seen as sites of affluence, but likewise rural areas may be the places where the elite withdraws to secure safety and seclusion [see Crime and Local Security, above]. Resentment has precipitated conflicts in Angola and Mozambique, for example, where rural communities' anger at the urban elites' control of political and economic power structures was a factor in the conflict (Bett and Kimuyu, 2009: 24). Urban and rural separation is also drawn along ethnic lines; for example, in Angola and Mozambique some of the urban elites were mixed race. In a number of Latin American countries, for example, the *mestizo* (mixed ethnicity) populations, are often confined to cities e.g. La Paz, while the indigenous populations lives in rural, and often underdeveloped, areas.

Marginalization and Radical Ideologies

Both local and international marginalization feed into dissatisfaction at the vast inequities of power and wealth at a global and regional level. Such dissatisfaction can be channeled into positive community development and campaigning, and can also lead individuals into a deeper analysis of the economic and social paradigms under which they live. This scenario, coupled with economic poverty and political marginalization, has, over recent decades, led to support for ideologically driven counter-culture movements, and the election of pro-poor and pro-indigenous parties in some nations. Such disenchantment is at its height during a global economic downturn (such as we are currently experiencing), as perceptions of unfairness, and the feeling there is 'nothing to lose' has repeatedly triggered social and political violence (Bornay-Bomassi, 2009).

Latin American nations have expressed their disenchantment with neo-liberalism at the ballot box: electing populist parties in Venezuela, Ecuador, and Bolivia (Bello, 2011). In a number of Global South nations, local uprisings, sometimes militant, have been sustained in their opposition to the establishment

over decades—most notably the Naxalite revolts in India and the Zapatistas in Mexico.

Some of the nations—Bolivia, Ecuador and Venezuela—have joined with other nations from Latin America and the Caribbean – Antigua and Barbuda, Cuba, Dominica, Nicaragua and Saint Vincent and the Grenadines – to form ALBA [*Alianza Bolivariana para los Pueblos de Nuestra América*/Bolivarian Alliance for the Peoples of Our America], a regional alliance of socialist and social democratic nations with the aim of promoting cooperation and mutual economic aid. It was started as an alternative to the trade liberalisation proposed in the Free Trade Area of the Americas (an anticipated extension of NAFTA—the North American Free Trade Agreement).

Naxalite uprisings, which originated as a communist peasant uprising in the West Bengal village of Naxalbari in 1967, have recently evolved into ‘an insurgency across much of India’ (Rogers, 2009), driven by the experience of deprivation and exacerbated by the expropriation of land for new industrial or mining projects (ibid). Since the 1960s, the movement has been taking hold in areas of ‘weak central-state control’ (Rees, 2009), kidnapping Indian security personnel, ‘maintaining authority in rural areas by setting up parallel administrations, administering summary justice and extorting money and resources from local businesses’ (ibid).

The radical Maoist group was described by Indian Prime Minister Manmohan Singh in 2006 as “the biggest security challenge ever faced by our country” (Ramana, 2008). The group’s mainstay of recruits has come from ‘literate and poverty stricken tribals’ (Rao, 2010) for whom ‘the struggle for existence is acute’ (ibid). As Indian National Congress President Sonia Gandhi put it: “What is most worrying is the high degree of convergence between areas that are mineral and forest-rich and areas that are the arenas of tribal deprivation and left-wing extremist violence (ibid).” The following case study explores the movement more deeply.

Marginalization and Naxalite Rebellions

‘Naxalism’ is the broad term used to describe the militant agrarian and tribal movements in India, which are based on the Maoist ideology and seek power through armed resistance. The Naxalites, initially launched as an anti-landlord movement, call for a complete transformation of the political system and the creation of a new social order that would put an end to what they see as an exploitation of the most vulnerable communities. Named after the village of Naxalbari, where the first of such movements had emerged in 1967, it has since assumed the status of India’s biggest internal security challenge, affecting nearly 200 districts spread over 18 Indian states - an area known as the ‘Red Corridor.’

The goals and demographic nature of the Naxalite movement clearly highlights the underlying causes behind the genesis of this movement. The gross economic inequality and the concentration of wealth in a few hands, lack of economic development in these areas, and the denial of access to farmers and tribals to common resources like water and land, which are necessary for their livelihood and survival, has naturally caused a great deal of resentment, anger and a feeling of isolation among a large section of people. Economic development, which is insensitive to the needs of such sections of society, has led to a great deal of displacement and the reduction of the populace to a sub-human existence. In the case of tribes in particular, it has ended up in destroying their social organization, cultural identity and resource base, which cumulatively makes them increasingly vulnerable to exploitation. The pattern of development and its implementation has increased corrupt practices of a rent seeking bureaucracy and rapacious exploitation by the contractors, middlemen, traders, and the greedy sections of the larger society, intent on grabbing their resources and violating their dignity.

Such a situation and populace, naturally, acts as a breeding ground for Naxalism. This has been accepted even by the Indian Prime Minister, Manmohan Singh, who admitted that the Naxalite problem was “directly linked to problems of underdevelopment, exploitation, lack of access to resources, underdeveloped agriculture, lack of employment opportunities, and other factors.” The marginalized and affected groups, who perceive themselves as victims of injustice and came to believe that the government was doing nothing to redress their grievances, naturally supported and joined the movement with the hope that it would bring a significant improvement in their condition. Moreover, the Naxalites were seen as the only ones talking about their needs, rights and interests. It is the fact that the Naxalites are waging a “Peoples’ War”, which can explain the reasons behind the massive support of the populace. Their agenda includes struggles for tribal rights to land, common property resources, better wages, health care, education and housing. Many observers believe that Naxalite initiatives resulted in improved living and economic conditions for many tribal communities.

It is evident that the threat posed by the Naxalite movement cannot be resolved effectively as long as it is seen merely as a law and order problem. It is essential that the government seeks to address the socio-economic issues underlying the Naxalite movement in order to reduce the resentment, isolation and marginalization of large sections of people. The Naxalite activities have had some success in terms of dissuading companies from investing (ibid). While this could be seen as arresting economic development, author and prominent Indian activist Arundhati Roy describes the Maoist group’s struggle against mining companies as an epic battle between the powerful and powerless: “ the poorest,

most malnourished, waging a war against the corporates supported by all the institutions of the world's biggest democracy" (Deccan Herald, 2010). "To a large extent, they have won in stopping the mighty corporates in their tracks," she said (ibid).

In India and surrounding states, rebellions stemming from socio-economic divisions have been dealt with primarily through 'police control and military confrontation' (Abbott and Marsden, 2008). These efforts are unlikely to succeed in isolation. As Sonia Gandhi argued, "protecting the rights of tribals and ensuring their livelihood are central to bringing about an end to their exploitation and sense of alienation" (Rao, 2010). Repressive and controlling policies must be complemented with diplomacy, dialogue and genuine attempts to address the root causes of the problem (Abbott and Marsden, 2008). Including the Naxalite uprising in India, rural protests in China, and the Maoist insurgency in Nepal (Abbott and Marsden, 2008).

Even if it has been the 'war on terror' that has dominated international security conversations over recent years, it may be that these developments across Asia provide a more telling story with which to predict further developments. What is today a national security problem could be emulated on a scale that would make it a global security problem in the years ahead. The Chief of the UK Defence Staff, General Sir David Richards, has described the Naxalite rebellion as an example of an insurgency that 'has a sense of hopelessness and economic envy at its core. These are powerful instincts that today can be inflamed and communicated to other similarly dispossessed groups across the world at the touch of a button' (Richards, 2011).

Religious Extremists

More prominent in the international policy arena has been the popularity of radical Islamist groups in the Persian Gulf and Middle East. In addition, the "Talibanization" of Pakistan, for example, warrants particular media attention. They are portrayed as Islamic hard-liners, often linked to al-Qaida, who want to 'implement a rigid version of Islam' (Suleri, 2010: 79). However, many who join the Taliban are those 'outraged by chronic hunger, endemic corruption, unfair courts, and the government's inability to supply basic education or other services' (ibid). "Robin Hood" tactics such as land redistribution (including in the Swat valley) have earned the sympathy of the local community, making it easy for militant groups (religious, ethnic or nationalist), to build 'parallel states' within Pakistan (ibid).

Religious groups have often been among those providing parallel services in the event of state absence. Provision of services, e.g. schools, hospitals, sports clubs, places of worship, from militant religious groups can provide direct access

to young people, who may be impressionable. Moreover, it naturally builds sympathy for the political and militant aims of the radical religious groups.

Religious extremism may be provoked particularly in situations where ‘traditional’ values, considered intrinsic to the preservation of the faith, are disrupted. In recent decades this has led to the criticism of globalisation, and the concurrent spread of the ‘Western’ liberal values, particularly through the media. Ismail Abu Shanab, a former Hamas leader (killed by an Israeli missile in 2003), called globalization “a new colonial system. It’s America’s attempt to dominate the rest of the world economically rather than militarily (...). America is trying to spread its consumer culture. These values are not good for human beings” (Stern, 2003: 40).

Finally, the Western incursions into the Arab world, and the discrimination (for example, a rise in Islamophobia in the US and UK), may lead many Muslims and the Arab diaspora to feel humiliated. Ayman al-Zawahiri, now a leading figure in the al-Qaida movement, then second-in-command, wrote in 2001 that the current world order is generally “humiliating” to Muslims, as Western forces attempt to dominate Islamic societies in a “new crusade” (quoted in Stern, 2003: xviii). Stern argues, this humiliation is a major factor in the current wave of transnational Islamist terrorism. Therefore, until Western ‘counter-terrorism policies and practices avoid producing gratuitous humiliation in the Arab and Muslim world’, Islamic violent extremism is likely to persist (Porter, 2011).

Impacts of Political Oppressive Marginalization and Corruption: Kenya and Nigeria

The post-election violence in Kenya in the winter of 2007/08 is one recent example of the way, in which a public (or a section of it) that feels politically disenfranchised can regard violence and disruption as the only avenue for expressing discontent. Following the December 2007 election, large groups amongst the Kenya electorate, reinforced by media accounts of vote rigging, claimed that the incumbent’s supporters had committed electoral fraud. Reports suggest that up to 1, 300 people were killed, and up to 650,000 people displaced (IDMC, 2010), in the riots, massacres and violent demonstrations that ensued. Some of the displaced households were still living in refugee camps in 2010 (ibid).

The violence, triggered by the injustices of the election process, were driven by longer-term concerns that intersected in Kenya to provide an ominously ‘conflict-inducing’ atmosphere; these included inequality, ‘(inter-) ethnic hatred, perceived denial of political rights and the government’s incompetence in delivering economic growth’ (Bett and Kimuyu, 2008: 1).

The inter-ethnic aspect of the conflict was part of an ongoing but latent tension between tribal groups. From the first independent President of Kenya, Jomo Kenyatta, there has been a perception that political power brings tangible advantages, through nepotism and corruption, to the premier's tribe, and particularly their clan (Commission of Inquiry into Post-Election Violence, 2008: viii). Much of this resentment is directed at the Kikuyu (the largest tribal group in Kenya), of whom Jomo Kenyatta, and also Mwai Kibaki (President of Kenya from 2002—to date), is a member. The feeling amongst some Kenyans that the best way to access Kenya's wealth and resources is for their tribe to win the Presidency, has led to a 'deliberate denudation of the authority and legitimacy of (...) oversight institutions' that could manage abuses of power, and promote accountability (ibid, 22).

The violence was most prominent in impoverished areas, including Coast province, and informal settlements in Nairobi; therefore the brunt of the suffering was also borne by 'poor people, living in low income neighbourhoods' (Commission of Inquiry into Post-Election Violence, 2008: 203). At the time of writing, the International Criminal Court (ICC) is proceeding with the prosecution of six people, it alleges, organized the campaigns of post-election violence. Kenya's government have appealed to try the six men in Nairobi, rather than through the ICC in The Hague; this appeal was unsuccessful. Kenya's parliament has also voted to withdraw Kenya from the Statute of Rome – the treaty that established the ICC (Shiunda and Mathenge, 2010). The Chair of the Kenya National Commission on Human Rights said that Parliament is 'telling the international community "Kenya is not serious" about fighting impunity' (ibid).

Although the violence of 2007/8 was particularly grave, it is not unheard of. Since the early 1990s, violence has been used as a tool by politicians hoping to gain power in Kenya (ibid, p. 22). Such struggles will not be prevented until corruption is eliminated in free and fair elections, which are publicly accountable and visible. Nigeria also witnessed post-election violence after the April 2011 Presidential elections, when Goodluck Jonathan (the existing President) was re-elected. The success of Jonathan, a Christian candidate from the South, prompted violence in the North, where the President was unpopular. The governor of Nasarawa state claimed that the violence was primarily the result of 'poverty and unemployment' (Joseph, 2011), and triggered by dissatisfaction of the result of the election.

Marginalized Minorities: Gender, Youth, Indigenous and Separatist Movements

The exclusion of minority groups (who are not necessarily small in number, but marginalised in terms of power relations, hence the inclusion of women in this category) is both damaging in terms of human welfare, and likely to inspire struggles, affecting internal and regional instability, in the future. This is by no means a new phenomenon; minorities have often been excluded from economic, social and political structures along ethnic, religions, cultural, tribal and political lines. Recently, however, we have seen one such minority, youth movements across the Arab world, acting as the driving force behind the ‘Arab uprising’, the wave of political uprisings that have thus far affected Tunisia, Egypt, Libya, Syria, Bahrain, Yemen, Algeria, Jordan, Iraq, Morocco and Oman.

Young People and the Arab Uprisings

Whilst the main factors underlying these revolts are familiar—‘dictatorship, oppression, nepotism, social inequality, structural poverty and demographic changes’ (Adib-Moghaddam, 2011) —a new characteristic was that it has been primarily young people who have filled the streets in these nations, ‘demanding freedom and democracy’ (Alpay, 2011). They had reached a stage of fury at which some felt it was “better to die for a cause than to live without dignity” (Egyptian activist Wael Ghonim, quoted in Bello, 2011). The Arab world’s demonstrations of popular opinion have been largely nonviolent in their tactics (with Libya being the main exception), though many have been met with repressive resistance from governments.

Even though more hard-line forms of Islam have often been seen as embracing authoritarianism, and stifling pluralist democratic culture, analyst Arshin Adib-Moghaddam argues: The myth that a ‘hybrid religion can be reduced to a monolithic political ideology’ is coming to an end, with ‘massive demonstrations (...) held after Friday prayers, prayer-rugs (...) laid out in front of tanks [and] nationalist sentiments and slogans (...) permeated by Islamic symbols’ (2011). He contends that support for the radical Islamism espoused by al-Qaida is failing. If accurate, this moment could be a key one in building more trusting relations between America and its allies in the ‘war on terror’, and the Arab world (Alpay, 2011).

There have also been protests in Iraq, amongst people disappointed by the unfulfilled expectations of the government - with mismanagement of the country’s significant oil revenues (Iraq is said to have the second largest oil reserves in the world), corruption, 1 in 6 living in poverty, and almost 40 per cent of the 30 million strong population under the age of 15 (Arraf, 2011). These protests have

had some impact, with the government ‘delaying the purchase of American F-16 fight jets in order to put more money into the rations system and announcing more government jobs’, and the Prime Minister promising a review of underperforming ministries (Arraf, 2011).

The large and diverse ‘Arab Spring’ movements have been aided by the use of new communications technologies, social networking sites in particular. These innovative media tools have been utilised by young people in particular as an immediate way of spreading campaign messages. Cyber-activism, which is primarily grassroots and unrestricted, has met with repression. Iran, in some ways the ‘homeland of cyber-activism’ (Alavi, 2011), has seen the foundation of a ‘vast internet-police system, whose rigorous censorship and surveillance of cyberspace has led to harassment, imprisonment and even executions’ (ibid). The government attempts to hold back the flood of popular feeling, reacting with authoritarian censorship at the wave of opposition.

Dissent is not confined to the young, however; repressive and undemocratic rule can meet resistance in many spheres of the population – not just the marginalised. In Iran for example, Nasrin Alavi describes a dissenting mood being shared not just by those on the streets, or the young, or those in the capital Tehran, but also by more moderate religious leaders; as Alam al-Hoda’s recent sermon put it, after the disputed 2009 elections, the “movement of sedition” is evident “in the seminaries” (2011).

Gender Justice

Gender inequality is a real and urgent issue. While the political and social marginalization of women has not often resulted in violent rebellion, in many nations, movements are building to challenge exclusion and discrimination. Should responses to such movements be reactionary, rather than dialogue-based, deeper and more complete marginalization is likely. Such discrimination feeds into other socio-economic issues such as health (particularly HIV/AIDS), poverty (for example, where widows and single women are unable to work), and female infanticide. Where women suffer, so often do female-headed households and female children. Including: a women’s capacity to determine her own access to family planning and healthcare; a woman’s capacity to earn a living to uphold her family when widowed through HIV/AIDS; the stigma associated with HIV/AIDS as a presumed STI.

These issues do not exclusively affect women by any means, but women in many cultures feel the burden of such factors disproportionately. Sonia Gandhi, President of the Indian National Congress, asserted women’s relative vulnerability and invisibility in contemporary social problems in a recent lecture, claiming that topical climate change debates have been “gender-blind”, i.e. that

women have less access to “resource technology and credit in the global economic downturn” and that inattentive urban planning is a factor in women’s vulnerability on the streets (2011).

There are areas of backlash against sexism however; Shadi Sadr, an Iranian publisher, lawyer and journalist, under arrest after a protest in 2004, wrote: “Today Iranian women (...) have imposed themselves on a male-dominated society which still believes women should stay at home. Perhaps nobody sees us, but we exist and we make our mark on the world around us. I assure you that if you look around carefully, everywhere you will see our footsteps” (quoted in Alavi, 2007). The challenge for those women now is to make an impact upon the Iranian *majlis* (parliament) that they often protest outside (ibid).

Women played a major role in the recent Arab revolts; Lilia Labidi, Tunisia’s minister of women’s affairs, said that in the demonstrations “women were not side-lined but marched amongst men” (Rostad, 2011). There have since been calls for a new ‘parity resolution’, which would guarantee ‘an equal number of male and female candidates for each party in Tunisia’s...elections’ (ibid). Progressive steps such as this may be more possible in an increased public spirit of ‘political pluralism’ (ibid). However, such participation will not be productive or liberating if it is merely an add-on (‘add women and stir’, as Harding has put it [Beneria, 1995: 1840]). It must represent a substantial shift in political and economic power relations. Moushira Khattab, former Minister of Family and Population for Egypt, has made this point relating to Egypt; arguing that ‘women’s participation in public demonstrations and disseminating information to the media “has set the stage for a paradigm shift in the rights of citizens” ‘ (ibid). Yemeni journalist and politician, Tawakkul Karman, was the joint recipient of the Nobel Peace Prize in 2011, awarded to three women jointly for their “non-violent struggle for the safety of women and for women’s rights to full participation in peace-building work (www.NobelPrize.org, 2011).

Separatist Movements and Ethnic Minorities

The exclusion of ethnic minorities, for example indigenous or state-less peoples, has triggered the launch of ‘insider’ civil groups, such as separatist movements (some of which are militant), that can be a threat to internal stability. In Asia, these have included the Moro Islamic Liberation Front (MILF) in the Southern Philippines, the United Liberation Front of Asom (ULFA) in India, the Liberation Tigers of Tamil Eelam (LTTE) in Sri Lanka, and in Eurasia, militant Chechen separatists, fighting for independence from the Russian Federation. Of the groups that utilize violence as a tactic, many are contained to nationally-based attacks; however, some have attacked international targets, and have links with global security issues, e.g. the suggested links between

Chechen militants, Pakistani intelligence forces and Saudi financiers (Raman, 2010).

In Sri Lanka, the state has been accused of marginalizing Tamil communities since the 1940s. Poverty and frustration have been the fruits of policies that neglect and discriminate against Tamil language, religion and identity as Sri Lankans. Whilst there have been many youth groups prepared to use violent means to gain equal opportunities and recognition, the LTTE were particularly critical in proposing a separate Tamil state. Anti-terrorism policies designed to counter the LTTE's militarism have been repressive and often counter-productive, affecting the Tamil minority and building support for the extremist tactics of the LTTE. The LTTE were 'defeated' by Sri Lankan security forces in 2009 (Wijayapala, 2009). It is alleged that the final stages of the armed conflict was marked by human rights violations, committed both by Sri Lankan government forces, and by the LTTE (see UN, 2009).

Marginalization and Human Insecurity: The Mendera Triangle

'Human security can be said to have two main aspects. It means, first, safety from such chronic threats as hunger, disease and repression. Secondly, it means protection from sudden and hurtful disruptions in the patterns of daily life—whether in homes, in jobs or in communities. The "Mendera Triangle" is a tri-border region of Ethiopia, Somalia, and Kenya that exemplifies, in a microcosm, a complex and chronic humanitarian crisis that transcends national boundaries. The resident Somali pastoral population is highly vulnerable to periodic droughts and floods, high levels of poverty, long-term disruption to the traditional systems of livelihood, ongoing inter-clan conflicts and border tensions between states.

Violence in the Mendera triangle is often viewed purely as a symptom of inter-tribal conflict over cattle and other common property resources. This line of thinking is questionable, given that an important issue in understanding insecurity among pastoralist groups is their distant and often oppositional relationship to the state. As with other peripheral groups, pastoralists in the region have suffered systematic marginalization by central authorities and have a history of rejecting the authority of the state, which they view as threatening to their distinct nomadic way of life. Pastoralist violence must therefore be situated in terms of mutual opposition and exclusion, as well as the struggle for control of resources. Pastoralists do not partake in nations' so-called 'public goods'. They are often denied government services and the state seldom plays a role in guaranteeing their security. When they do become an object of state interest and intervention, it often involves forced settlement and other coercive efforts that only strengthen their resolve to remain apart.

The human security dimensions of the pastoralist plight are now more clearly understood as being attributable to a combination of population growth, immigration, conflict and specific government policies. An adequate conceptualization of human security for Mandera triangle states and other states in Africa must 'link human security with human development'. Economic development will have to be at the top of the institutional agenda, since development and security are 'two sides of the same coin' (Mandaza, 1995).'

Abeyratne argues that the ethnic tensions in Sri Lankan society have been an important 'mobilisation device' in 'gaining momentum and continuity in one facet of the conflict' (2004: 24), but that the 'fertile ground for political conflict' was provided by the exclusion of individuals and groups from the development process. In the following case study, Abdul Haro explores the condition of pastoralists in the Mandera triangle, who are similarly excluded from national priorities.

In the case of the Kenya/Uganda border, while pastoral conflicts have always been assumed to be purely arising from competition over scarce resources, Mwaura argues there are broader social, economic and political exclusion issues that are neglected in most analysis (Mwaura, 2005: 2). With the state largely absent from remote border areas, the main experience pastoral communities have of state intervention is the 'indiscriminate and aggressive military response' to conflicts (ibid), further alienating tribal groups from identification with the state. Consequently, their own capabilities in protection, particularly through arms, becomes extremely important (ibid).

Discrimination against ethnic groups can be particularly apparent in emergencies, such as natural disasters. For example, during India's severe monsoon floods in 2007, three minority groups – Dalits, Adivasis and Muslims – were hit worst. There were many reasons for this. Firstly, many Dalits live in vulnerable homes outside main villages, leaving them particularly exposed. In some cases relief workers were not aware of their presence, and in others, dominant groups took control of aid distribution and did not give these groups priority (Baird, 2008). As climate change develops, more 'climate crises' can be expected; in these situations it is vital that relief be non-discriminatory.

Environmental Limits, Resource Competition and Marginalization

Climate Change and Climate Justice

The worst effects of climate change will fall first and foremost on the majority world (Adow, 2009). A wealthy minority of the world's countries and corporations are the principal cause of climate change; its adverse effects fall first and foremost on the majority that is poor' (Adow, 2009). Climate change will further entrench the multiple-index poverty of the 'bottom billion'. For

example, developing nations with extensive coastlines such as Bangladesh, and island states like the Maldives, are most likely to be devastated as sea level rises. Many people therefore perceive climate change as principally an issue of justice. As Kofi Annan has put it “the countries most vulnerable (...) contribute least to the global emissions of greenhouse gases. Without action, they will pay a high price for the actions of others” (quoted in Patwary, 2011). President Museveni of Uganda went as far as calling climate change ‘an act of aggression by the rich against the poor’ (Masood, 2007).

With women being more likely to live in poverty than men, climate change is also not gender blind. Women represent 70% of those people living in poverty, and generally have less access to resources, technology and credit (Gandhi, 2011). In families living in poverty, adaptation to a changed climate will drain money away from other priorities, such as the education of children. As with these families, so will governments be forced to reallocate funds from other fields as a response to climate change adaptation measures.

Social and economic deprivation enhanced by climate change may trigger radicalization. The extra pressure that climate change puts on already fragile states may mean that the government can no longer deliver services to its people. In such cases, militant and insurgent groups often fill the vacuum, as has already occurred in Lebanon (Patwary, 2011).

Finally, the groups most vulnerable to climate change are also not necessarily those at the most risk in terms of direct physical impacts. Vulnerability is actually largely ‘determined by poverty’; not just income poverty, but a poverty of power, where countries are marginalized from policy debates and therefore from the ability to influence decisions (Tacoli, 2011). Hence, the way environmental change impacts on communities is not automatically and proportionally determined by the degree of environmental change, but via their level of resilience, which in turn is a result of power structures. To put it simply, even if, for example, Western countries were hit harder by climate change than poorer Southern countries, citizens in the West would still be likely to be less affected due to a far greater capacity to adapt to climate change. For citizens in poorer countries, already a smaller impact could mean life or death. It is non-environmental factors, therefore, which really determine the level to which communities will be affected by climate change.

While climate change will hit the poorest hardest, it will also affect minority indigenous groups disproportionately. These groups are often amongst the poorest, because many indigenous groups have such a close relationship with the environment (Baird, 2008); for example in the Niger Delta, those ‘already marginalized by their social status’ are the most disadvantaged by environmental degradation, as they are dependent for their immediate survival on local

ecologies and nature-related trades, e.g. fishing, forestry, farming and hunting (Wapmuk, 2010).

Competition over Natural Resources

Communities in the South that face income poverty are those most vulnerable to resource scarcity. Increasing competition over natural resources is expected as supplies of energy deplete, and as the effects of climate change impact on food and water insecurity. In regions where natural resources are widely available, frustration has resulted in crime and regional insecurity in areas where the economic benefits of these resources have not been shared (see Crime section, above). This is particularly true where there is not adequate space for ‘civil political opposition as a means of changing or influencing society’ (Von Kemedi, 2006).

For instance, the *Niger Delta People’s Volunteer Force* has found recruitment to their armed force easier as the ‘disaffected’ feel unrepresented. As the economy in the Niger Delta is not expanding, an army of youths are simply gathering every day on the streets or at the jetties waiting for something to do. Unfortunately, what they are offered these days is membership of an armed group. Some join to improve their self-image, as a response to perceived injustice or simply to survive’ (ibid).

Competition over resources increases marginalization and deprivation in ways likely to engender radicalisation and militancy. In some areas of Pakistan, the ‘anti-elite’ feelings of food insecure people have been used by ‘religious forces’ to incite violence, including suicide bombings (Suleri, 2010: 80). According to the Pakistani Interior Minister, suicide bombers can expect to be remunerated before their deaths, leaving their families up to \$12,000 (Suleri, 2010: 82). This is enough to give all their dependents a decent life and be freed from water and food insecurity, as they now have the assets with which to acquire increasingly scarce supplies. In such circumstances, terrorism might seem like the economically expedient path.

Political Marginalization: The Global South

Voices from the Global South are often found on the periphery of global political and economic dialogue, particularly at the negotiating tables of international institutions. This has already been subject to debate over many decades. Though many African and Asian colonies gained independence from the 1940s onwards, their political and economic relationship with former colonial powers, managed by the ‘Bretton Woods institutions’ (the World Bank (WB), and the International Monetary Fund (IMF)), was often one of dependency. This resulted in the adoption of policies that many people now perceive as damaging to the welfare of the poor of the poorest nations; for

example, through reducing the amount of money a state can spend on health, education and development, as debt repayment has to be made the priority (Shah, 2010). Most prominently, the Structural Adjustment Programs (SAPs) — loans offered on the condition of the enforcement of free-market policies, such as the reduction of trade barriers. Since the 1990s, these have been superseded by Poverty Reduction Strategy Papers (PRSPs), envisaged alongside the Heavily Indebted Poor Country (HIPC) program, designed to be more participatory and driven by national governments (rather than the IMF/WB).

Such measures have still attracted criticism from more radical voices, including the Jubilee-Zambia campaigner, Jack Jones Zulu, who asks ‘is it possible for governments to be accountable to their own people rather than the IMF and World Bank when the whole process was initiated and is to be largely funded by the [World] Bank and [International Monetary] Fund?’ (2003: 1). Zulu claims the SAPs and PRSPs have three significant things in common: an over reliance on the trickle-down effect; failing to recognize the cost of growth in terms of the reduction in the social capital; setting targets that are heavily influenced by external funders and insufficiently influenced by the results of the public participation.

In political terms, the United Nations is also a source of considerable tension around the issue of representation. No nation from Latin America, the Middle East or Africa, are permanent members of the UN Security Council. Country delegations (both for UN meetings, and the conferences of all other significant international bodies) can also vary in size dramatically, with Northern nations bringing a large group of dedicated diplomats and legal advisors, compared to the one or two-person teams representing a Southern state’s interests. Moreover, multilateral blocs such as NATO and the G8, represent exclusively Northern interest groups, who exert enormous control over international affairs.

This disparity in capacity and influence makes the efforts of groups that bring together, or speak on behalf of, a collection of Southern states, all the more important. These include the South Centre’s *Global Governance for Development* programme and more informal and reactive mechanisms such as the Global Governance Group (3G). 3G are an informal group of small and medium-sized non-G-20 member states that have recently come together to assert the need for ‘more effective global governance mechanisms’ that recognise the impact of G-20 decisions outside of G-20 countries, and engage all nations in decision-making on issues of global concern (Statement by Ambassador Vanu Gopala Menon *Strengthening the Role of the UN in Global Economic Governance*, June 2010).

The sense of powerlessness experienced by Southern states, in comparison with their Northern counterparts, can frustrate governments in the Global

South, hampering cooperation, and resulting in policies fashioned exclusively by those who already hold power. The examples of the COP15 and COP16 climate change negotiations in Copenhagen and Cancun are noteworthy. The ‘Copenhagen Accord’ that came out of the December 2009 meeting in Copenhagen has been criticized for being constructed by the major powers without any genuine engagement with key voices from the developing world, who will in fact be most affected by climate change (Ranawaka, 2010). At Cancun, there were accusations of ‘a catalogue of bribes and bullying tactics used by developed countries to buy the support of developing countries’ (Blagojevic, 2010).

The perceived failure of recent climate talks, particularly the ‘undemocratic actions’ taken by some nations in Copenhagen (Ranawaka, 2010), has contributed in some cases to North-South hostility – even a ‘diplomatic freeze’ (Patwary, 2011). Various non-governmental organizations have been established in an attempt to counter the power inequities within the global political and economic institutions. These include Independent Diplomat, the South Centre, and programmes of the International Centre for Trade and Sustainable Development’s (ICTSD).

Independent Diplomat, founded in 2004 by Carne Ross, a former British diplomat, exists to ‘promote justice and conflict resolution by enabling governments and political groups disadvantaged or marginalized by lack of diplomatic capacity to engage effectively in diplomatic processes’—achieving this by providing independent and confidential advice, and assistance in diplomatic technique and strategy (ID, 2011). Similarly, the ICTSD’s *Dispute Settlement and Legal Aspects of International Trade* program assist those stakeholders with least capacity for legal and diplomatic expertise to engage fruitfully in World Trade Organization business, particularly by defending their trade rights, advancing their trade objectives (ICTSD, 2011), and in accessing justice through the dispute resolution processes.

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Neoliberalism and Imperialism: The Culture of Globalization as Oppression



"The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism - ownership of government by an individual, by a group, or by any other controlling private power."

--- Franklin Roosevelt

Overview

Cultural imperialism is defined as the process whereby one country tries to distort or undermine the culture of another country on the basis of its technology, research and reach. It is the practice of promoting or artificially injecting the culture or language of one country into another. In most cases, the

former is a large, economically or militarily powerful nation and the latter is a smaller, less important one. In fact, it is based on the assumption that one nation tries to force its culture, ideology, goods, and way of life on another country.

The Western world is using different tools of mass media—television being the most influential one—to engender Western values in various cultures around the world. Approximately, 80 percent of the world's television broadcasts are in English. According to UNESCO, approximately 50 per cent of the world's languages are in danger of extinction by the end of the 21st century while 90 per cent of them are not represented on the internet. All this holds relevance despite the fact that English has reduced communication barriers for people around the world, and we can now interact with those belonging to different cultures quite easily. One does not want a global village with a homogenized culture and language, if it comes at the cost of indigenous cultures and languages.

Introduction

It is essential to begin by stating that imperialism, as a concept of one culture attempting to dominate another, is as old as the paradigm of civilization itself, as we have already ascertained. History has traditionally cast imperialists as war mongers, typified by the Spanish and Portuguese occupation of Latin America from the sixteenth century and the Scramble for Africa in the second half of the nineteenth century, both renowned cases of advanced European cultures imposing their way of life and customs upon a people ill equipped to spurn their military and technological advances. Hence, it has been argued that imperialism today sanitized as globalization brings more overwhelming and intangible impacts than that of imperialism (Ang, 2001). Tomlinson (1991) also states that globalization brings interconnection and interdependence among global areas as a result of increased business and cultural activities; and these effects would weaken the cultural unity of individual countries.

Therefore, not surprisingly many people tend to believe that globalization is the case of Western cultural imperialism or in other words, cultural imperialism implies colonization in a post-colonial world (Tomlinson, 1991). However, this essay will argue that this is not true with regards to Singapore. By focusing on three of the most integrated cultural activities, media, pop music, and tourism, this essay contends that globalization does not create homogenization in Singapore but instead, maintains and even strengthens the country's national distinctive cultural practices (Kong, 1997). Thus, in reality, globalization is the process of individual nations' negotiated identities (Foley, McPherson, & Matheson, 2006).

According to Holton (2000), cultural consequences can be explained in three major theses: homogenization, polarization, and hybridization. The first thesis claims that global culture has become homogeneous because of Westernization or Americanization. Secondly, the polarization thesis believes global interconnection and independence do not automatically result in cultural resemblance, which, unlike economic organization and technology, is harder to standardize. The third thesis is that of cultural imperialism. However, the framework of this chapter is based on the imposition perspective, which states that Western culture is forced on non-Western ones and hence creates no synergic forms of interconnectedness.

Neoliberal Globalization Equals Westernization?

Neoliberal globalization is often seen as global Westernization (Aartya Sen, 2002). On this point, there is substantial agreement among many proponents and opponents. Those who take an upbeat view of globalization see it as a marvelous contribution of Western civilization to the world. From the opposite perspective, Western dominance—sometimes seen as a continuation of Western imperialism—is the devil of the piece. In this view, contemporary capitalism, driven and led by greedy and grabby Western countries in Europe and North America, has established rules of trade and business relations that do not serve the interests of the poorer people in the world.

But is globalization really a new Western curse? It is, in fact, neither new nor necessarily Western. And it is not a curse. Over thousands of years, globalization has contributed to the progress of the world through travel, trade, migration, spread of cultural influences and dissemination of knowledge and understanding (including that of science and technology).

These global interrelations have often been very productive in the advancement of different countries. They have not necessarily taken the form of increased Western influence. Indeed, the active agents of globalization have often been located far from the West. To illustrate, consider the world at the beginning of the last millennium rather than at its end. Around 1000 A.D., global reach of science, technology, and mathematics was changing the nature of the old world. But the dissemination then was, to a great extent, in the opposite direction of what we see today.

The high technology in the world of 1000 A.D. included paper, the printing press, the crossbow, gunpowder, the iron-chain suspension bridge, the kite, the magnetic compass, the wheelbarrow and the rotary fan. A millennium ago, these items were used extensively in China—and were practically unknown elsewhere. Globalization spread them across the world, including Europe.

A similar movement occurred in the Eastern influence on Western mathematics. The decimal system emerged and became well developed in India between the 2nd and 6th centuries. It was used by Arab mathematicians soon thereafter.

These mathematical innovations reached Europe mainly in the last quarter of the 10th century and began having an impact in the early years of the last millennium, playing an important part in the scientific revolution that helped to transform Europe. The agents of globalization are neither European nor exclusively Western, nor are they necessarily linked to Western dominance. Indeed, Europe would have been a lot poorer—economically, culturally and scientifically—had it resisted the globalization of mathematics, science and technology at that time.

And today, the same principle applies, though in the reverse direction (from West to East). To reject the globalization of science and technology because it represents Western influence and imperialism would not only amount to overlooking global contributions—drawn from many different parts of the world—that lie solidly behind so-called Western science and technology, but would also be quite a daft practical decision, given the extent to which the whole world can benefit from the process.

Certainly, the Renaissance, the Enlightenment and the Industrial Revolution were great achievements—and they occurred mainly in Europe and, later, in America. Yet many of these developments drew on the experience of the rest of the world, rather than being confined within the boundaries of a discrete Western civilization. Our global civilization is a world heritage—not just a collection of disparate local cultures. When a modern mathematician in Boston invokes an algorithm to solve a difficult computational problem, she may not be aware that she is helping to commemorate the Arab mathematician Mohammad Ibn Musa-al-Khwarizmi, who flourished in the first half of the ninth century. (The word algorithm is derived from the name al-Khwarizmi).

There is a chain of intellectual relations that link Western mathematics and science to a collection of distinctly non-Western practitioners, of whom al-Khwarizmi was one. The term algebra is derived from the title of his famous book *Al-Jabr wa-al-Muqabilah*. Indeed, al-Khwarizmi is one of many non-Western contributors whose works influenced the European Renaissance and, later, the Enlightenment and the Industrial Revolution. The West must get full credit for the remarkable achievements that occurred in Europe and Europeanized America, but the idea of an immaculate Western conception is an imaginative fantasy.

The first printed book was an Indian Sanskrit treatise, translated into Chinese by a half-Turk. The book, *Vajracchedika Prajnaparamitasutra* (sometimes referred to as “The Diamond Sutra”), is an old treatise on

Buddhism. It was translated into Chinese from Sanskrit in the 5th century by Kumarajiva, a half-Indian and half-Turkish scholar who lived in a part of eastern Turkistan called Kucha but later migrated to China. It was printed four centuries later, in 868 A.D. All this involving China, Turkey, and India is globalization, all right. But the West is not even in sight.

All of this is why, in my view, the misdiagnosis—that globalization of ideas and practices has to be resisted because it entails dreaded Westernization—is so misplaced. It only incites parochial tendencies and undermines the possibility of objectivity in science and knowledge. It is not only counterproductive in itself. Given the global interactions throughout history, it can also cause non-Western societies to shoot themselves in the foot—even in their precious cultural foot.

In fact, contemporary imperialism is, in a real sense, a hegemonic imperialism, exercising to a maximum degree a rationalized violence taken to a higher level than ever before—through fire and sword, but also through the attempt to control *hearts and minds*. Its content is defined by the combined action of the military—industrial complex and the hegemonic cultural centers of the West, all of them founded on the advanced levels of development attained by monopoly and finance capital, and supported by the benefits of both the scientific and technological revolution and the second industrial revolution itself. (Abdel-Malek, 1981:145–1460).

Hence, for those who have heeded these warnings and for students of critical and modern social theories, the ‘West’s road to 9/11’ (Carlton 2005) and the following 7/7 (London), Istanbul, and Madrid bombings were not at all surprising. What is surprising is how the rise of neo-Orientalism in the digital revolution of the 21st century continuously continues reproducing distorted images and (mis)representations of the ‘East’, ‘Oriental’ or ‘Islamic world’, which is consigned to the category of ‘non-Western’ or ‘the rest of the world’ (Said 1978, 1993, 1997). This ‘rest of the world’—the Global South—is a territory peopled by ‘Others’ that can be labeled as ‘uncivilized’, ‘traditional’, ‘irrational’, and ‘violent’, much as they were centuries ago.

What is Cultural Imperialism?

Cultural imperialism is based on the assumption that one nation tries to force its culture, ideology, goods, and way of life on another country. Since at least the 1960s, cultural imperialism has proven to be a tremendously popular and enduring concept. It has introduced culture as a variable into the study of foreign relations and thereby has significantly broadened the field. It has built the foundation upon which more than multiple generations of historians have based their research strategies and arguments. It has penetrated many academic disciplines, including musicology, sports, sociology, and political science. And it

has left a long-lasting mark in the public arena; politicians the world over, for example, lament the manipulative influx of U.S. movies. Tiny nations, remote people, and unknown tribes find their way into the headlines of international journals through their outspoken protests against Western cultural imperialism. From Iceland to Latin America, Central Africa to the Philippines, local spokesmen presumably mourn the decease of their indigenous mores and traditions that is coupled with the rise of Anglo-American television and culture.



The concept of media and cultural imperialism was made prominent by a number of Latin American thinkers including Antonio Pasquali, Luis Ramiro Beltran, Fernando Reyes Matta, and Mario Kaplun. In addition, Dallas Smythe, Herbert Schiller, Oliver Boyd-Barrett, and Armand Mattelart have been instrumental to the development of this theory. According to Tomlinson (1997), the argument that links cultural globalization to cultural imperialism is as follows: “globalization is either just the latest term for, or the latest stage in, a process with a long history, a history more or less co-extensive with the history of Western imperialism. It is simply the global working through of a process of domination in which the West draws all cultures into its ambit.

Adherents of the media imperialism tradition held that a small group of Western countries not only controlled the international media trade but used it to transmit their particular cultural and economic values, particularly individualism and consumerism, to large numbers of developing nations around the world. Boyd-Barrett (1977:119) writes that the country which is affected by media influence either adopts this influence as a deliberate commercial or political strategy, or simply absorbs this influence unreflectively as the result of the contract.

According to Herbert Schiller (1976), ‘The concept of cultural imperialism today best describes the sum of the processes by which a society is brought into the modern world system and how is dominating stratum is attracted, pressured, forced, and sometimes bribed into shaping social institutions to correspond to, or even promote, the value and structures of the dominating center of the system.’

Indeed, cultural imperialism is the effort by powerful states to force their culture and societal systems upon subjugated, or less powerful, people. These formal and informal efforts are often based on ethnocentrism and were exemplified by the social Darwinist movement of the late nineteenth century. Cultural imperialism is responsible for the spread of some positive values, including democracy and equal rights, but it also brought about the demise of many indigenous cultures and languages and provided a justification for colonialism.

During the early period of Western colonialism, cultural imperialism was marked by efforts to forcibly spread Christianity and European economic values to indigenous societies. The onset of the new imperialism of the nineteenth century saw the maturation of this trend as imperial states sought to replicate their legal, political, and educational systems within their colonies. With the rise of the United States as a global power in the twentieth century, American culture came to dominate the world through an informal and tacit form of cultural imperialism.

Cultural imperialism is a key feature of Marx’s critique of media theory, which he viewed as dominated by the ruling classes. Via this domination, he argued, the ruling classes would best be suited to perpetuate their stranglehold on power. “The ideas of the ruling classes are in every age, the ruling ideas: i.e. the class, which is the dominant material force in society, is at the same time its dominant intellectual force. The class which has the means of material production at its disposal has control at the same time over the means of mental production... in so far as they rule as a class and determine the extent and compass of each epoch, they do this in its whole range, hence, among other things, they regulate the production and distribution of the ideas of their age; thus their ideas are the ruling ideas of the epoch” (Marx & F. Engels, 1968: 64-65).

Karl Marx’s famous quote on the subjugation of the masses by traditional ideological means has helped to pave the way for modern media theory. It follows naturally that the ideology of the ruling classes of the dominant international power would enjoy the same position of pre-eminence that Marx describes. Yet his theory works only within the context of a single capitalist society and its socio-economic structure. For instance, when Marx talked of his media theory of the ruling classes he had in mind only one nation; specifically

how Prussian aristocrats had managed to influence proletariat German ideology. Marx's theory is more complex when discussing the influence of western media on non-western audiences because there is inherently a massive cultural divide that must be bridged before any level of influence (in real terms) can be attained by the imperial power.

Cultural imperialism is therefore, a social phenomenon that occurs at a later stage of a long historical chain of colonialism that cannot be viewed out of its political and economic context. It is an intangible form of colonization that was practiced by the western empires that took over the world and exploited insidious and organic link between conquerors and conquered. It is thus a vague concept that is hollow out of the specific context of its territorial and political evolution and we must therefore take a look at the ways in which western culture attempted to dominate foreign societies before the advent of the mass media and Westernization.

The Goals of Cultural Imperialism

Usually two divergent cultures that come into contact tend to influence each other. There is a give-and-take that often results in a new, hybrid culture. Societies have historically adopted and integrated different languages, political or legal systems, religions, and traditions into their own cultural identity. Only rarely are such cultural interactions mainly unidirectional. However, cultural imperialism distorts normal societal exchanges. Instead, the dominant power seeks to suppress and, in some cases, eradicate other cultures. Although a dominant culture may incorporate specific products into its mainstream, as the Europeans did with corn, sugar, and potatoes, through cultural imperialism, there is a range of actions taken to destroy indigenous ways of life. The suppression of native religions and their replacement by outside faiths is one example of this trend. In addition, societal attributes, including language, legal traditions, and family patterns, also are often forcibly changed through new legal codes and colonial policies.

During the initial period of European colonization, the imperial powers sought two things from their overseas territories, and both of these imperatives often led to efforts to completely eradicate native cultures. First, under the prevailing mercantile system of the period, the European states tried to maximize the economic potential of their colonies. They wanted colonies that would be economically profitable and provide resources that were unavailable, or in limited quantities, in Europe.

In much of North America, the Caribbean, and Africa, this often meant replacing the existing agrarian and hunting cultures with European economic systems based on resource extraction and large-scale agriculture. Second, the

colonial powers endeavored to minimize the costs of their empires. One way to ensure that colonies did not become profitably expensive was to ensure that those territories remained politically subservient to the mother country. Replicating European political culture provided one method of maintaining submissive colonies. This was especially important to the European colonizers in those areas, such as the Aztec Empire in Mexico, in which there was an existent, strong, and stable political system that could provide leadership for anti-colonial insurgencies. In such cases, one immediate goal for the colonial powers was to exterminate, or co-opt in some cases, the indigenous political leadership.

During the late imperial era of the nineteenth century, colonization also increasingly came to be based on strategic considerations. Imperial states no longer only sought colonies simply for profit, they also wanted territory for political and military reasons, including naval bases for refueling and refitting; buffer areas to protect wealthy colonies; and to deny rival empires territory. In addition, public sentiment in many imperial powers, especially Great Britain and France, opposed the wholesale eradication of indigenous cultures and people. This combination of factors resulted in less overtly brutal methods of suppressing native cultures. This imperial period was marked by efforts among several of the leading colonial powers to integrate their possessions into their broader culture and traditions. A common theme was that it was the duty of the imperial power to uplift the people who came under its suzerainty. This idea would later be modified and embraced by the United States and its allies in the twentieth century as America sought to promote its ideals and values in the post-World War II era, but often dismissed local culture and tradition, even if it was compatible with the goals of U.S. policy.

Not all of the negative impacts of cultural imperialism are deliberate. In some cases, actions taken by colonial governments and settlers had disastrous impacts on indigenous lifestyles. Colonialism disrupted societies by elevating some groups, while disenfranchising others from positions of power or status. Colonial powers often removed or eradicated those groups that held political or economic power within a new acquired territory. The colonists then elevated other groups within societies to elite status as a means to bind those groups to the colonial power, and then exploited them to maintain control. Such actions exacerbated existing ethnic rivalries or initiated long-lasting intra-societal conflicts. In addition, the artificial borders created during the colonial period disrupted societies and broke apart ethnic and religious groups, further contributing to the demise of many cultures.

The economic consequences of colonialism also eroded cultures. The introduction of new agricultural systems by imperial powers led to the demise of hunter-gathering cultures. For instance, the spread of ranching and farming

in the American Midwest resulted in the decline of indigenous cultures such as those of the Native Americans of the Plains region. In the later imperial era, the introduction of European manufactured products destroyed local economic systems. In the twentieth century, the spread of American culture through the globalization of the entertainment industry undermined regional literature and arts.

Early Cultural Imperialism and Western Colonialism

Cultural imperialism did not begin with the period of modern European colonization. Ancient empires such as the Greeks and the Romans spread their ideals, values, and language to conquered areas. During the Middle Ages, successive English monarchs attempted to subjugate the Welsh and Scottish cultures, whereas the 1453 fall of Constantinople to the Ottoman Turks resulted in the demise of the Byzantine culture and society, and the policies of imperial Russia resulted in the suppression of non-Russian cultures on the periphery of the empire.

What initially differentiated colonization after 1400 from earlier periods was the effort to justify the acquisition of new territory. Europeans initially asserted that the new areas were unoccupied and claimed possession based on the principle of first discovery. However, as it became clear that the areas had resident populations, European states struggled to develop a legal justification for conquest. Most governments asserted that they had the right to exercise dominion over native people to spread the gospel, uplift them, and improve their barbaric way of life.

In an argument advanced initially by Spanish Dominicans, and adopted thereafter by most of the colonial powers, indigenous people were declared barbarians based on a range of criteria that included religion, family and marriage customs, language (especially the lack of a written language), legal systems, and political arrangements. The colonists also would contend that native cultures did not encourage people to make maximum use of land and other resources. The colonial powers argued that they should have dominion over these new areas to make them more productive. These arguments would be utilized by colonial powers in such diverse settings as the Spanish in America and the British in Ireland. Hence, the theoretical underpinnings of colonialism came to be based on the assumption that the cultures of native people were inferior to those of the Europeans and that the colonial states had a duty to transmit their customs and norms to these populations.

The first Portuguese colonies in Africa were established to extract resources and establish trading posts. As a result there was only minor cultural penetration, mainly in the form of economic interaction. Even as the Spanish and Portuguese

conquered the Canary Islands and Sao Tome, there was little effort made to integrate the inhabitants into the European culture. Native people did increasingly learn European languages to facilitate commerce and the slave trade. As long as the trading posts remained on the periphery of Africa and other areas, European culture initially made little impact on indigenous societies.

This changed as the Spanish established colonies in the Americas. To gain ascendancy over the area, the Spanish had to destroy two major indigenous empires (the Aztec and Inca) and replace their cultural influence. This marked the first major step in the spread of cultural imperialism in the Western Hemisphere. The destruction of major native political bodies also would occur in North America with the destruction or subjugation of groups such as the Powhattan Confederacy.

A second major step toward the goal of eradicating native cultures and imposing European norms and values outside of Europe came as efforts to evangelize and spread Christianity became increasingly intertwined with colonialism itself.

Following Pope Alexander VI's (1431-1503) 1493 papal bull, which divided the new world between Spain and Portugal, and the subsequent Treaty of Tordesillas (1494), which reaffirmed the bull, both states pursued colonies to accumulate wealth, but did so under the justification of the need to spread Christianity. The Protestant Reformation would further accelerate these efforts, as Catholic and Protestant missionaries competed to replace native religions with their denominations of Christianity. For instance, even though the Dutch empire was based almost exclusively on trade, missionaries were dispatched to Dutch colonies to ensure that native peoples were converted to Protestantism as opposed to Catholicism.

Those areas with long-recognized cultures, or with the military might to prevent European incursions, received very different treatment from the colonial states. For instance, in India, the various colonial powers often sought to gain trade and other concessions through treaty instead of conquest. One result was the survival of many cultural traditions on the Indian subcontinent. It would only be in the later imperial period that the British began to seriously erode Indian culture. In contrast, when efforts to spread Christianity, or otherwise suppress native cultures, met with failure, the colonial states often resorted to strategies of displacing native people, or exterminating whole groups of them. For instance, after the 1622 native rebellion in Virginia, the colonists engaged in widespread reprisals and a broad effort to force the native tribes from their land.

The New Age of Cultural Imperialism

While the initial period of European colonialism after 1400 was characterized by efforts to completely eradicate or suppress native cultures, the new imperial era of the late nineteenth century was usually marked by less brutal efforts to spread dominant, colonial cultures. This period marked the height of European imperialism and the maturation of colonial systems. This era also marked the formalization of the self-perceived civilizing mission by colonial powers in areas of Africa and Asia and the prevalence of institutionalized racism.

The development of new technologies during the nineteenth century not only accelerated the drive for imperialism, it also further undermined indigenous cultures. The imperial powers actively embraced new technologies, including military weapons, the telegraph, steamboats, and the railroad. These technological advances reinforced the attractiveness of European culture among native people. This included perceptions of superiority among both the colonizers and the people colonized. Many native rulers who were not under the dominance of imperial powers often hired European military and economic advisers to tacitly, or overtly, spread colonial cultures.

In addition, many native leaders sent their children to European schools, a custom that the British in India, and the French in North Africa, particularly encouraged. The imperial powers also developed a series of colonial schools, including universities in some cases, to educate the native population and the colonial elites. At colonial schools, native students were taught the history, culture, and traditions of the imperial state, while their own culture was denigrated.

As new colonies were added to empires for strategic reasons, there was increasing pressure on colonial governments to lessen the costs of empire. One method to accomplish this goal was to integrate local groups into the colonial hierarchy. In British colonies, such as Canada, Australia, and the Caribbean islands, this was accomplished through colonial settlers who brought with them the main elements of British culture. In other areas, the British and other colonial powers endeavored to use local populations as soldiers, government officials, and bureaucrats to lessen the costs of empire. One result of these methods was the consolidation of areas populated by small, decentralized groups or tribes under colonial powers.

In binding groups to the colonial establishment, there was a range of efforts undertaken to supplant indigenous cultures with colonial or European ones. These efforts included ongoing drives to spread Christianity, European-style education and training, and inter-colonial policies that pitted favored groups against others. One result of these efforts was the emergence of native-colonial elites who adopted the main aspects of the imperial cultures, including the

hierarchical class system of the dominant imperial powers. These elites increasingly formed the core of the colonial civil service and military.

Even as new economic imperatives for imperialism emerged, including the discovery of diamonds in South Africa in 1867 or the rise of the ivory trade in the Belgian Congo, colonial tactics remained constant. In pursuing their economic interests, colonial powers often specifically targeted cultures to undermine existing political entities. For instance, the British promoted the use of opium to undermine Chinese culture and gain economic concessions in the 1840s.

The contemporary popular notion of social Darwinism, which argued that different ethnic groups were at different stages of intellectual and physical development, was often used as a justification for imperialism. Pro-imperial politicians and officials would even use social Darwinism to contend that the imperial states had a duty to civilize the less-developed regions of the world by spreading European culture. Such sentiments were presented in contemporary newspapers and literature that reinforced public support for imperialism. Social Darwinism was also used to justify the elevation of some groups and the suppression of others. For example, many British and French colonial officials believed that people from the India subcontinent or Asia were superior to Africans and, therefore, transported people from these regions to Africa where they often became part of the colonial elite.

‘Postcolonialism’ and Cultural Imperialism

During the independence movements, the colonial powers sought to bind their possessions through economic, political, military, and cultural ties. Great Britain formed the Commonwealth of Nations and France formed the Francophone Association to perpetuate their influence in the former colonies. However, many colonial powers found that the Western-educated elites formed the core of independence movements. In colonies such as India, Burma, or Indonesia, these native elites endeavored to combine positive aspects of Western culture with their own indigenous traditions. This helped revive native culture in many areas, even as Western-style governments and economic systems remained prevalent.

European culture continues to exert an enormous influence in terms of language, educational systems, and religion; nonetheless, it would be the United States, not the former colonial powers, that would ultimately have the greatest cultural impact in the post-World War II era. The economic preponderance of the United States at the end of World War II (1939-1945) allowed the nation to export a range of products and to gain access to emerging markets as states became independent. Products such as Coca-Cola, Levi’s jeans, and General

Motors vehicles came to be regarded as synonymous with the United States. This American economic expansion would evolve into cultural imperialism as the world embraced U.S. products. In addition, the rise of the American entertainment industry helped expand the cultural influence of the United States. During the Cold War, the rivalry between the United States and the Soviet Union limited the global reach of American culture. With the end of the Cold War, these constraints were lifted. The result was a dramatic period of American cultural dominance.

The opening of a McDonald's restaurant in Moscow in 1990 was followed by a round of global expansion that resulted in 24,500 restaurants in 115 nations. In addition, American films, media, and music came to dominate the global entertainment industry. The Cable News Network (CNN) is broadcast in 120 countries while the world's top-selling author is America's Stephen King. In 1992 Disney even opened a theme park near Paris. American cultural expansion has been aided by the revolution in telecommunications and the widespread use of English. For instance, approximately 90 percent of the content on the Internet is in English.

As American products continue to find new markets and cultural icons such as Spiderman or Superman replace local heroes, many local customs will give way to a global cultural uniformity dominated by the United States. The prominence of U.S. culture has even led foreign companies to utilize American symbols in advertising. A range of foreign corporations use cowboys or American icons to advertise a variety of products such as cigarettes, alcohol, and clothing. Critics of these trends have decried what they perceive to be a second century of American cultural homogeneity.

While many aspects of American culture have positive connotations, including the ideals of gender and racial equality, and political and economic freedom, the violence and materialism that many perceive is inherent in the United States has produced a backlash. States such as France have imposed limitations on American media products, including films and music (the French government briefly tried to prevent the American film *Jurassic Park* from being released in France). On a broader level, opponents of globalization have increasingly targeted American firms such as Starbucks as symbols of what is wrong with the contemporary world market. Finally, radical anti-Western extremist groups have defined themselves by their opposition to the main features of American culture.

Two Models of Cultural Imperialism

Boyd-Barrett provides a useful distinction, between the "Schiller Model" of cultural imperialism and the generic model. The generic model, developed in

Europe (and heavily influenced by Boyd-Barrett himself) integrates time/space considerations, so is more widely applicable than the Schiller Model. It acknowledges the “multidimensionality” of media forms and degrees of dependence and imperialism – so it is not as important if the focus is on the third-world of the developed world. The model can be used to analyze, for instance, the domination of American television in the UK. Cultural imperialism extrapolates from very widely accepted models of centre-periphery flows and relationships, and from equally compelling evidence on historical patterns of domination – for example European colonialism.

International Communication as Cultural Imperialism

The world has undergone great change over the past century or so due to the advent of globalization. One of the trends that has become entrenched into social, political and economic interaction has been the transnational flow of capital. While this is not necessarily unique to the 20th and 21st centuries, it has certainly been consolidated into the way states and organizations across the entire world behave and interact with each other in this period. Along with this, globalisation has also precipitated rapid technological development. These are two of the main ways – both which go hand in hand – in which globalization has transformed civilization as we know it and brought people across the world closer together.

At the forefront of this ever-increasing expansion of transnational capital-flow and technological development are international communications. In order to allow people to generate, disseminate or acquire information, communications outlets need to own the technology in order to do so, and thus need to compete successfully in the global market, given that technology comes at a price. In this light, this essay examines the relationship between the global political economy and international communications and shows that the inequalities and dependencies inherent in the former equate to inequalities and dependencies in the latter.

After examining the theoretical background of the global capitalist system, the essay argues that the combination of imperialism of the past and neoliberalism of today strongly disadvantages peripheral states. In turn, the neoliberal agenda is allowing media companies from the core, the hegemonic major-trading states which support unrestricted trade, to induce a new kind of dependence for peripheral media markets. Thus, inequalities and dependence in the global economy are resulting in inequalities and dependencies in international communications. Also, to provide a more in-depth reflection on the subject, the essay analyses a case-study of American media and cultural dominance of the world.

The Relationship between Global Communication and International Communication

In order to explore the relationship between the global economy and international communications, it is extremely useful (if not necessary) to examine the theoretical terrain shaping the global capitalist economic system. Firstly, this essay argues that the global political economy was established as a bi-product of colonialism and imperialism and subsequently, inequality and dependency are inherent to the system. Secondly, it asserts that over the last thirty years or so, neoliberal principles have become predominant in the agenda of international economic institutions and regulators. The essay then contends that the neoliberal agenda, in conjunction with the capitalist system's legacy of imperialism and its inheritance of dependency and inequality, spells doom for actors handicapped by the system, including media and communications organisations stuck at the bottom of the food chain, so to speak.

Colonialism and imperialism were driving forces in the establishment of the current global capitalist system, or otherwise were, by the least, pivotal in setting up the inequalities the system is fraught with. Immanuel Wallerstein, the theorist behind World Systems Theory, argued that the world system of today (that is, the predominance of capitalism and the sovereign-state system) emerged at the same time as the modern European imperial dominance of the world. Subsequently, the world is now locked in a spatio-temporal site of imperial power, whereby the “perpetual binarism between colonizing and colonized countries” continues today (Mooney & Evans, 2007: 239).

What this means is that, while colonies may no longer exist formally, imperialism still exists today in the sense that the global capitalist system was established, exported around the world and then maintained by the imperial powers, old and new. To put this into context, former colonies, whilst no longer formally belonging to their former colonisers, need to adhere to the global capitalist agenda set up by former and current imperial powers (such as, to be specific, Britain and the United States) in order to develop and modernize.

Since the 1970s, neoliberal principles have been promoted by the major trading states from the West (in particular The United States), global financial institutions (such as the International Monetary Fund and World Bank) and multinational corporations (Lamy, 2011: 121). Furthermore, they have been largely adopted by the rest of the world, including the “Global South” and “Second World” (Willis, 2011: 54).

Neoliberalism advocates a free trade and a market or capitalist economy as the best way to achieve prosperity. It “argues that free trade, private property rights and free markets will lead to a richer, more innovative and more tolerant world” (Lamy, *op. cit.*). While some argue that states are turning to neoliberal

policies because doing so encourages foreign investment—through preventing the state from appropriating overseas investments and guaranteeing that the success of those investments is determined solely by market mechanisms (Sinclair, 2005)—others say that states are forced to do so, either for their own survival in the system or through coercion.

While states are finding it hard to survive in the system unless joining the World Bank, which in turn looks for International Monetary Fund (IMF) approval (which only comes via market liberalisation), others are forced into employing neoliberal strategies to trade with big economies such as those in the G7, especially the EU and US (Evans, 2011: 37); if countries “refuse to abide by the demands of their larger trading partner, the retaliation for independently minded behaviour is likely to come at a considerable cost to their export earnings” (Watson, 2011: 447-8). Others which have become destroyed by market forces are told by international donors and global financial institutions to make structural adjustments favouring neoliberal principles in order to receive their assistance (Sens & Stoett, 2005: 296).

This essay contends that neoliberal ideology is dangerous in a system created and exported by imperialist powers. The current neoliberal agenda is consolidating the dependency in the system inherited by colonial exploitation. As neoliberal ideology favours foreign investment and objects to state interference, the result is that states and societies which were previously dominated in colonial times, and rendered unable to develop strong infrastructures and industries, now rely on foreign entrepreneurs to help modernise and develop. This is a new kind of dependency, as instead of relying on foreign colonial possessors for survival in the capitalist system they created, developing countries now rely on foreign capitalists looking to earn money. This notion is summarised well by Evans in her following passage (op. cit: 36):

“Peripheral nations perpetually depend on forms of economic assistance that deepen and enforce their dependency upon the very institutions, corporations, and nations that strip them of the infrastructural and business assets, jobs, decision making power, natural resources, and social support that could serve as bases for creating more free, self-sufficient, and sustainable societies. This dependence also further weakens their relative economic position with regard to powerful transnational corporations and First World nations.”

A number of problems arise from this neoliberal-induced dependency. The most obvious is the reliance it imposes on peripheral states by leading nations which blindly and naively trust the neoliberal agenda dogmatically (for example, British Prime Minister Margaret Thatcher touted the ideology as fact in her claim that “there is no alternative” to the neoliberal agenda) (ibid). Another, which this essay demonstrates, is more pertinent and problematic for international communications; that is, that a new kind of imperialism is arising:

cultural imperialism. Multinational corporations and investors (largely from the US, but also from Europe, Japan and Brazil) are exporting their methods, products and behaviours into dependent states which have no choice but to be receptive to them. Peripheral nations are complaining that they are suffering a breakdown of their cultures at the hands of foreign investors looking to make money out of them and the consumerism they are exporting. The following section looks at the affect the global economy has on international communications, especially with regard to the dependency, inequality it influences.

International Communications and the Neoliberal Agenda

This section argues that the prevalence of neoliberalism in the global economy (already fraught with dependency and inequality) has big implications on international communications, by examining the global media system. Since the emergence of neoliberalism in economic policy, we are seeing two main things: the consolidation of a media oligopoly, as huge waves of mergers between media firms are resulting in greater penetration and control of the global media field by a select few media conglomerates; and the dependence of media systems in peripheral states, whose communication systems were designed to suit the needs of their colonial masters (McChesney & Schiller, 2003: 5, 8). This, as the essay argues, creates a new kind of dominance and dependency in the system.

Neoliberal principles in the marketplace are allowing the consolidation of media ownership and markets by a small group of media conglomerates from the core, especially The United States. The opening up of markets, which has largely accelerated across the globe in the last 30 or so years through the advent of neoliberal policy directives, allows the biggest companies to buy out other companies and own a monopoly in the global market. According to McChesney and Schiller (*ibid*: 11), who wrote in 2003, “compared with 10 or 20 years ago, a much smaller number of much larger firms now dominate the media at the national and regional levels.” Their claim is corroborated by the following passage from Bagdikian (2000: xx-xxi):

In 1983, fifty corporations dominated most of every mass medium and the biggest media merger in history was a \$340 million deal. ... [I]n 1987, the fifty companies had shrunk to twenty-nine. ... [I]n 1990, the twenty-nine had shrunk to twenty three. ... [I]n 1997, the biggest firms numbered ten and involved the \$19 billion Disney-ABC deal, at the time the biggest media merger ever. ... [In 2000] AOL Time Warner's \$350 billion merged corporation [was] more than 1,000 times larger [than the biggest deal of 1983].

In 2005, 10 media firms, seven of which were American, accounted for 80 per cent of all revenues in the global media market (Winseck, 2008: 37). By 2010, the scene was similar; Time Warner and Disney remained the top two firms, while the number of American companies dropped to 6 and the number of Japanese rose to 3 (Headline News, 2010). What we are seeing today, largely due to the neoliberal turn the global economy has taken, is the securing of an oligopoly, whereby the market is run by a small number of sellers, in the global media sector. A global media market dominated by a minority of large companies results in a new kind of dependence for peripheral states. In the past, Third-World nations largely possessed second-rate communications systems, as many were designed only to suit the bare needs of the colonial masters (an example of the inheritance of inequality peripheral states received from imperialism) (McChesney & Schiller, *op. cit.*: 5).

Furthermore, in order to develop their communications systems, Third-World countries needed to import the technology needed to do so, which often came at a high price (Strabhaar, 2010: 266). Nowadays, peripheral states and their media systems have no way to combat the domination of colossal media conglomerates from the West. They cannot close their economies to them, or else they face condemnation by and alienation from major trading states and their allies for not opening up their markets (as demonstrated earlier). Additionally, it is largely Western firms and contractors which they need to acquire communications technologies from.

Third World states felt they were handicapped from the onset and found it hard to compete on the international capitalist market. When they tried to organise a campaign to establish a New World Information and Communication Order (NWICO), wherein they asked industrialised countries to provide resources to establish viable communications systems of their own, in forums in the United Educational, Scientific and Cultural Organization (UNESCO) and other venues, it was met with an icy response from the states in the core (McChesney & Schiller, *op. cit.*: 5).

The United States, under Prime Minister Ronald Reagan, and its chief ally, the United Kingdom, under Prime Minister Margaret Thatcher, both considered to be the biggest advocates of neoliberalism, pulled out of UNESCO. Along with their pulling out came their withdrawal from funding (such that in the mid-1990s, the US owed \$750 million to the UN overall), effectively causing the NWICO movement to disintegrate (Schiller, 2010: 253). The reasoning behind this was that the movement, and consequently UNESCO, opposed a free market, dogmatically deemed to be the be-all and end-all of the countries' economic positions from then on. Consequently, the rise of neoliberalism quashed resistance from below, as stated by McChesney and Schiller (*op. cit.*: 5):

In fact, the trajectory followed since the 1980s by the global political economy has run directly counter to notions like the NWICO. The age of neoliberalism, or corporate globalization, unleashed national and international policies highly supportive of business domination of all social affairs with minimal countervailing force. This is an example of how domination and dependency in the global economy results in domination and dependency in global media systems.

Cultural Imperialism and its relationship to Communication Systems

Cultural imperialism as a global strategy arose amid Cold War tensions in the United States (Tomlinson, 1991). Soviet Marxism and its economic and political trappings were pitted against Western capitalism and America's version of neoliberal democracy. Ideas, goods, and money flows towards "third" world countries and satellite states perpetuated influence from either domineering world power (Tomlinson, 2002). This concept, the principle of cultural imperialism, suggests that importing hard goods (infrastructure, machinery) or soft goods (democratization, industrialization) may have an influence over the indigenous culture, either purposefully acculturating the original population or unintentionally bringing external ideals (such as consumerism) which have unintended effects on the original population (Tomlinson, 2002).

Saïd (1993), building on *Orientalism*, writes that despite the end of the Cold War and the "age of empire" after 1945, *colonial* imperialism left lasting effects on formerly colonized cultures. Therefore, the legacy of colonial imperialism is enacted in *cultural imperialism* in these contemporary cultures, leaving room for international influence vis-a-vis systems of power. Specifically, this power is described by Herbert Schiller wherein the developed, industrial West influences global allocation of resources via cultural imperialism. For Schiller, third world nations are located on the "periphery"; far from the centers of control. Due to their proximity politically or economically, these nations are not in control of their own economic development, instead, they are subject to outside forces determining how development should proceed (Schiller, 1976).

Foucault's observations on immaterial power enrich the definition of cultural imperialism (1978). For Foucault, control over a person's environment and influence within a social system are an immaterial kind of power. In the definition of power, Foucault suggests that there is a "system of ordered procedures for the production, regulation, distribution, circulation, and operation of statements" which thereby are defined as **truth**. Foucault states that truth is culturally relative and specific. Ideology, such as how a culture enacts governmentality, are a part of these truths. Neoliberal governance is both a system and an ideology, extending beyond national identity to create various

subjectivities at the intersections of **truth**; reordering mandates beyond cultural specificity (1978).

Importantly, Schiller, Tunstall, and Guback argue that cultural imperialism was strengthened by 20th century communication systems. Networked communication systems allow for a complex international system by which television, radio, and motion pictures are exported to the world. According to Jin, cultural exchange in these interlinked nations were unequal. Inequity arose from the fact that massive world powers have greater resources to devote towards infrastructure investment and content creation as compared to smaller nation states. Thus, the efficacy or size of communication systems had a great effect on the ability to produce and sell content (Jin 2007).

Lerner (2010) explains these effects as a product of **modernizing**, which happens concurrently with US intervention upon a “third-world” power. Indirectly invoking notions of Weber’s protestant ethic, Lerner argues that growth occurs most saliently in communities which associate effort with reward. The aspiration of achievement and the means to get reward, according to Lerner, is a *communication process*. People link what they observe and therefore desire rewards in their own daily lives. For Lerner, communication is the main means of socialization, and socialization is the main agent of social change. It follows that public communication diffuses new ideas by which people are stimulated to seek change to achieve their desires (Lerner, 2010: 86).

Cultural imperialism’s media effects thesis thereby states that these public communications systems are how the US exerts soft power via its highly developed information systems network.

Soft power, as Schiller (1991) cites Nye, is defined by control of *communication* power. For Nye, soft power has more to do with culture industry and ideology than structural power. Schiller then uses this foundation to argue in a global arena, the US soft power is observed by its commercial, globalized presence in other countries. In an increasingly international marketplace, Schiller identifies that there is a certain kind of cultural imperialism that comes with the adoption of US-style capitalism (Schiller, 1991).

In shifting towards a consumerist economy, the means by which consumerism is perpetuated are also adopted by whomever is adopting a new economic paradigm. Schiller remarks that “Media-cultural imperialism is a subset of the general system of imperialism. It is not freestanding; the media-cultural component in a developed, corporate economy supports the economic objectives of the decisive industrial-financial sectors” (Schiller, 1991: 18). Schiller proffers that this kind of imperialism infects a sort of “consumerist virus.” This, he states, is how burgeoning communication systems adopt US culture industry paradigms unbeknownst to countries reaching for the first world (Schiller, 1991: 19). These countries rapidly join the “advertising

bandwagon” and, he argues, “soap operas exist to sell soap” (Schiller, 1991: 19). Tomlinson remarks that for Schiller, capitalism *is* culture and that “the effects of the spread of the system is evident of the individuals immersed within it” (Tomlinson, 2002: 40).

Proponents of the cultural imperialism thesis such as Schiller, Tunstall, Varis, and Guback argue that there is a one-way flow from the US to the rest of the globe. Tunstall argues that cultural imperialism claims that “traditional, authentic, and local” culture is being lost in the wash of consumer-driven mass produced media products from the West (Tunstall, 1976, in Jin, 2002: 754). This one-way flow is as a metaphorical firehose; the volume of content from the US to third-world nations is often cheaper and better produced than indigenous programming, due to the high cost of production in a developing nation. Thus, the flow from the West floods local markets and leaves little opportunity for alternatives to imported media to exist. This is the crux; *if there is no space for indigenous programming, local populations have nothing to choose but Western media and all its consumerist charms.*

Dorfman and Mattelart (1972) point to exactly why the flow is problematic in their manifesto entitled, *How To Read Donald Duck*. The book is a series of political warnings centered around Disney cartoons created to be consumed in Peru. Their thesis argues that third world nations export raw goods and import ideas, and those ideas are anti-local, and, present goods unreachable for the means of a population. They state:

“The housewife in the slums is incited to buy the latest refrigerator or washing machine; the impoverished industrial worker lives bombarded with the images of the Fiat 125. [in the same way].... Underdeveloped peoples take the comics at second hand, as instruction in the way they are supposed to live and relate to the foreign power centre.”

-Dorfman and Mattelart, 33

Despite the threats to local cultures that mono-flows of media may encourage, cultural imperialism as a theory leaves little room to assume that local cultures may have the ability to digest content and dissect Western paradigms where present. The theory suggests sweeping statements on the relationship between media and people, removing people’s agency as consumers and indirectly stating that cultures outside of the United States lack the ability to obtain media literacy. Furthermore, observations of contra-flow, or counter-cultural imperialism, have been noted by many scholars. As early as the late 70s, scholars such as Ang, Tracy, Reeves, and Katz and Liebes have observed pushback from populations in multitudes of ways, from critical observation to the creation of indigenous content.

Lastly, Jin (2007) notes that there are methods to critically test the soundness of cultural imperialist thought. Our increasingly complex global media environment has niches supported by an ever diversifying media market. These niches are treated as an important part of the market and include diaspora populations to whom satellite or other specific channels may be catered on the basis of religious, language, or cultural proximity (Sinclair et al., 1996). The second focuses on an “underestimation of local resistance to Western dominance” by the theory (Curran and Park, 2000).

It is important to keep in mind the reductive tendencies inherent in cultural imperialism media effects theory. In assuming local populations are a homogeneous group or suggesting that smaller and developing nations all react to American communication flows in predictable or similar ways ignores the possibility for resistance and reproduction beyond the imperial “truth” offered from the West.

Case Study: US Media Dominance

One of the implications of the format of the current global economy is that whoever has economic power is able to secure “full-spectrum” dominance, as complete freedom in the market allows no restrictions on the expansion and dominance of economic powers. The United States is the current economic power, with the biggest economy in the world, with a gross domestic product and purchasing power parity of over \$14 trillion in 2010 according to the International Monetary Fund (2011). This explains the American domination in the global communications markets.

One of the areas in which American dominance is extant is through media flows. The rest of the world is being inundated with media flows from The United States. Thussu (2010: 235-6) argues that “media flows have a close relationship with economic power” and that, despite an increase in contra-flows from the Global South towards the West, American companies will always dominate the system in this era of “full-spectrum dominance.” What this means is that the freer markets are, the better able companies from major-economic powers, such as America, are to dominate the whole global market. As a result, American media and entertainment industries (such as Hollywood) penetrate the global market and flood the world with American cultural products, or buy out foreign companies or create subsidiaries overseas to provide local programming for other countries from which they reap the profits.

For example, major US studios such as Columbia TriStar, Warner Brothers and Disney are using local production facilities in Europe, Asia and Latin America and setting up subsidiaries to make country-specific programming there (ibid: 229-230). Additionally, foreign cultures are being creolized with America’s, as media outlets from other countries are following American

business models which have been proven to succeed. Brazilian soap operas, for instance, portray a glamorous American lifestyle just with a 'Brazilianised face' to replicate the success of American soaps in selling products by advertisers and sponsors (Schiller, op. cit: 255).

Whilst cultural imperialism is one implication of American dominance in the global economy, another is its influence in institutions. Of course, the impact America had over the NWICO debate was demonstrated earlier, as the influence the country maintains over UNESCO through its funding is critical. This shows that The United States has the ability, not only to direct policy directives in the IMF and World Bank, but also to prevent constructive dialogue which questions the manifestation of American, and Western, dominance in the communications sector. Moreover, as American corporations largely run most of the media, they are able to generate information supporting their agenda. Ultimately, the news they present "is politically conservative, because the media giants are significant beneficiaries of the current social structure around the world, and any upheaval in property or social relations particularly to the extent that it reduces the power of business not in their interest" (McChesney & Schiller, op. cit: 13). For instance, the media often promote ideals such as "free trade" and corporate entrepreneurialism and show governments putting restriction on markets in a bad light. Thus, not only does America practice cultural imperialism, but also a kind of institutional imperialism as well.

From the global media sector, we see the power of transnational media companies, supported (and even respected) by the governments of the economically dominant major trading states they originate from, and the subsequent dependence media outlets and markets from the periphery have on them. Examples of this come from the consolidation of a media oligopoly by mostly American media conglomerates and the inability of Third-World countries to stand up to neoliberal-espousing dominant states in the Global North such as The United States through supposedly democratic institutions such as UNESCO. This reflects the transmission of power from imperial powers in colonial times to transnational corporations in this neoliberal, corporate globalisation era (or, for others, between imperial European powers of old and the American imperial power of today, as it has been the source, and driving force, of the neoliberal agenda which has swept the world since the 1980s and allowed those transnational corporations, originating from economically powerful states such as the US, to thrive).

In any case, the relationship between international communications and the neoliberal atmosphere in the global capitalist economy suggest two things. Firstly, it suggests neoliberalism (which encourages freedom of trade so that powerful traders may prosper unrestricted), in conjunction with a legacy of inequality caused by colonialism and imperialism, severely disadvantages former

colonies and other underdeveloped states, which cannot compete with the already advanced powerful states in the Global North. Secondly, it suggests that whatever trend prevailing in the global political economy greatly impacts on international communications. The result of the prevalence of neoliberal policy directives in the past 30 years or so has been the consequent narrowing down of the field of media firms which dominate the global media market and the establishment of a predominantly American-run oligopoly within it. The global economy thus has a huge effect on international communications, and dependencies and inequalities in the former result in dependencies and inequalities in the latter.

U.S Media Cultural Imperialism

U.S cultural imperialism (Petras, 2000) has two major goals, one economic and the other political: to capture markets for its cultural commodities and to establish hegemony by shaping popular consciousness. The export of entertainment is one of the most important sources of capital accumulation and global profits displacing manufacturing exports. In the political sphere, cultural imperialism plays a major role in dissociating people from their cultural roots and traditions of solidarity, replacing them with media created needs which change with every publicity campaign. The political effect is to alienate people from traditional class and community bonds, atomizing and separating individuals from each other.

Cultural imperialism emphasizes the segmentation of the working class: stable workers are encouraged to dissociate themselves from temporary workers, who in turn separate themselves from the unemployed, who are further segmented among themselves within the 'underground economy'. Cultural imperialism encourages working people to think of themselves as part of a hierarchy emphasizing minute differences in life style, in race and gender, with those below them rather than the vast inequalities that separate them from those above.

The principle target of cultural imperialism is the political and economic exploitation of youth. Imperial entertainment and advertisement target young people who are most vulnerable to U.S. commercial propaganda. The message is simple and direct: 'modernity' is associated with consuming U.S. media products. Youth represent a major market for U.S. cultural export and they are most susceptible to the consumerist-individualist propaganda. The mass media manipulates adolescent rebelliousness by appropriating the language of the left and channeling discontent into consumer extravagances. Cultural imperialism focuses on youth not only as a market but also for political reasons: to undercut a political threat in which personal rebellion could become political revolt against economic as well as cultural forms of control.

Over the past decade progressive movements confront a paradox: while the great majority of the people in the Third World experience deteriorating living standards, growing social and personal insecurity and decay in public services (while affluent minorities prosper as never before) the subjective response to these conditions has been sporadic revolts, sustained, but local activities and large scale protests of short duration. In a word, there is a profound gap between the growing inequalities and socio-economic conditions on the one hand and the weaknesses of revolutionary or radical subjective responses. The maturing 'objective conditions' in the Third World have not been accompanied by the growth of subjective forces capable of transforming the state or society. It is clear that there is no automatic- relationship between socio-economic regression and socio-political transformation. Cultural intervention (in the broadest sense including ideology, consciousness, social action) is the crucial link converting objective conditions into conscious political intervention. Paradoxically, imperial policy-makers seem to have understood the importance of cultural dimensions of political practice far better than their adversaries.

Cultural Domination and Global Exploitation

Imperialism cannot be understood merely as an economic-military system of control and exploitation. Cultural domination is an integral dimension to any sustained system of global exploitation. In relation to the Third World, cultural imperialism can be defined as the systematic penetration and domination of the cultural life of the popular classes by the ruling class of the West in order to reorder the values, behavior, institutions and identity of the oppressed peoples to conform with the interests of the imperial classes. Cultural imperialism has taken both 'traditional' and modern forms. In past centuries, the Church, educational system, and public authorities played a major role in inculcating native peoples with ideas of submission and loyalty in the name of divine or absolutist principles. While these 'traditional' mechanisms of cultural imperialism still operate, new modern instrumentalities rooted in contemporary institutions have become increasingly central to imperial domination.

The mass media, publicity, advertisement and secular entertainers and intellectuals play a major role today. In the contemporary world, Hollywood, CNN and Disneyland are more influential than the Vatican, the Bible or the public relations rhetoric of political figures. Cultural penetration is closely linked to politico-military domination and economic exploitation. U.S. military interventions in support of the genocidal regimes in Central America which protect its economic interests are accompanied by intense cultural penetration. U.S. financed evangelicals invade Indian villages to inculcate messages of submission among the peasant-Indian victims. International conferences are

sponsored for domesticated intellectuals to discuss ‘democracy and market’. Escapist television programs sow illusions from “another world.” Cultural penetration is the extension of counter-insurgency warfare by non-military means.

New Features of U.S. Cultural Colonialism

Contemporary cultural colonialism (CCC) is distinct from past practices in several senses:

- (1) It is oriented toward capturing mass audiences, not just converting elites.
- (2) The mass media, particularly television, invade the household and function from the ‘inside’ and ‘below’ as well as from ‘outside’ and above.
- (3) CCC is global in scope and homogenizing in its impact: the pretense of universalism serves to mystify the symbols, goals and interests of the imperial power.

(4) The mass media as instruments of cultural imperialism today are ‘private’ only in the formal sense: the absence of formal state ties provides a legitimate cover for the private media projecting imperial state interests as ‘news’ or ‘entertainment’.

(5) Under contemporary imperialism, political interests are projected through non-imperial subjects. -News reports’ focus on the personal biographies of mercenary peasant-soldiers in Central America and smiling working class U.S. blacks in the Gulf War.

(6) Because of the increasing gap between the promise of peace and prosperity under unregulated capital and the reality of increasing misery and violence, the mass media have narrowed even further the possibilities of alternative perspectives in their programs. Total cultural control is the counterpart of the total separation between the brutality of real-existing capitalism and the illusory promises of the free market.

(7) To paralyze collective responses, cultural colonialism seeks to destroy national identities or empty them of substantive socio-economic content. To rupture the solidarity of communities, cultural imperialism promotes the cult of ‘modernity’ as conformity with external symbols. In the name of ‘individuality’, social bonds are attacked and personalities are reshaped according to the dictates of media messages. While imperial arms disarticulate civil society, and banks pillage the economy, the imperial media provide individuals with escapist identities.

Cultural imperialism provides devastating demonological caricatures of revolutionary adversaries, while encouraging collective amnesia of the massive violence of pro-Western countries. The Western mass media never remind their audience of the murder by anti-communist pro-U.S. regimes of 100,000 Indians

in Guatemala, 75,000 working people in El Salvador, 50,000 victims in Nicaragua. The mass media, cover up the great disasters resulting from the introduction of the market in Eastern Europe and the ex-U.S.S.R., leaving hundreds of millions impoverished.

Mass Media: Propaganda and Capital Accumulation

The mass media is one of the principal sources of wealth and power for U.S. capital as it extends its communication networks throughout the world. An increasing percentage of the richest North Americans derive their wealth from the mass media. Among the 400 wealthiest Americans the percentage deriving their wealth from the mass media increased from 9.5 percent in 1982 to 18 percent in 1989. Today almost one out of five of the richest North Americans derive their wealth from the mass media. Cultural capitalism has displaced manufacturing as a source of wealth and influence in the U.S.

The mass media have become an integral part of the U.S. system of global political and social control, as well as a major source of super profits. As the levels of exploitation, inequality and poverty increase in the Third World, Western controlled mass communications operate to convert a critical public into a passive mass. Western media celebrities and mass entertainment have become important ingredients in deflecting potential political unrest. The Reagan presidency highlighted the centrality of media manipulation through highly visible but politically reactionary entertainers, a phenomenon which has spread to Latin American and Asia.

There is a direct relation between the increase in the number of television sets in Latin America, the decline of income and the decrease in mass struggle. In Latin America between 1980, and 1990, the number of television sets per inhabitant increased 40 percent, while the real average income declined 40 percent, and a host of neo-liberal political candidates heavily dependent on television images won the presidency. The increasing penetration of the mass media among the poor, the growing investments and profits by U.S. corporations in the sale of cultural commodities and the saturation of mass audiences with messages that provide the poor with vicarious experiences of individual consumption and adventure defines the current challenge of cultural colonialism.

U.S. media messages are alienating to Third World people in a double sense. They create illusions of 'international' and 'cross class' bonds. Through television images a false intimacy and an imaginary link is established between the successful subjects of the media and the impoverished spectators in the 'barrios'. These linkages provide a channel through which the discourse of individual solutions for private problems is propagated. The message is clear.

The victims are blamed for their own poverty, success depends on individual efforts. Major TV satellites, U.S. and European mass media outlets in Latin America avoid any critique of the politico-economic origins and consequences of the new cultural imperialism that has temporarily disoriented and immobilized millions of impoverished Latin Americans.

Imperialism and the Politics of Language Cultural imperialism has developed a dual strategy to counter the Left and establishing hegemony. On the one hand, it seeks to corrupt the political language of the left; on the other it acts to desensitize the general public to the atrocities committed by Western powers.

During the 1980's the western mass media systematically appropriated basic ideas of the left, emptied them of their original content and refilled them with a reactionary message. For example, the mass media described politicians intent in restoring capitalism and stimulating inequalities as "reformers" or "revolutionaries", while their opponents were labeled "conservatives." Cultural imperialism sought to promote ideological confusion and political disorientation by reversing the meaning of political language. Many progressive individuals became disoriented by this ideological manipulation. As a result, they were vulnerable to the claims of imperial ideologues who argue that the terms "Right" and "Left" lacked any meaning, that the distinctions have lost significance, that ideologies no longer have meaning. By corrupting the language of the Left and distorting the content of the Left and Right, cultural imperialists hope to undermine the political appeals and political practices of the anti-imperialist movements.

The second strategy of cultural imperialism was to de-sensitize the public; to make mass murder by the Western states routine, acceptable activities. Mass bombings in Iraq were presented in the form of video games. By trivializing crimes against humanity, the public is desensitized from its traditional belief that human suffering is wrong. By emphasizing the modernity of new techniques of warfare, the mass media glorify existing elite power, the techno-warfare of the West. Cultural imperialism today includes "news" reports in which the weapons of mass destruction are presented with human attributes while the victims in the Third World are faceless "aggressors- terrorists."

Global cultural manipulation is sustained by the corruption of the language of politics. In Eastern Europe, speculators and mafioso seizing land, enterprises and wealth are described as "reformers." Contrabandists are described as "innovating entrepreneurs." In the West the concentration of absolute power to hire and fire in the hands of management and the increased vulnerability and insecurity of labor is called "labor flexibility." In the Third World the selling of national public enterprise to giant multi-national monopolies is described as "breaking-up monopolies." "Reconversion" is the euphemism for reversion to

19th century condition of labor stripped of all social benefits. “Restructuring” is the return to specialization in raw materials or the transfer of income from production to speculation. “Deregulation” is the shift in power to regulate the economy from the national welfare state to the international banking, multi-national power elite. “Structural adjustments” in Latin America mean transferring resources to investors and lowering payments to labor.

The concepts of the left (reform, agrarian reform, structural changes) were originally oriented toward redistributing income. These concepts have been coopted and turned into symbols for reconcentrating wealth, income and power into the hands of Western elites. And of course all the private cultural institutions of imperialism amplify and propagate this Orwellian disinformation. Contemporary cultural imperialism has debased the language of liberation, converting it into symbols of reaction.

Cultural Terrorism: The Tyranny of Liberalism

Just as western state terrorism attempts to destroy social movements, revolutionary governments and disarticulate civil society, economic terrorism as practiced by the IMF and private bank consortia, destroy local industries, erode public ownership and savages wage and salaried household. Cultural terrorism is responsible for the physical displacement of local cultural activities and artists. Cultural terrorism by preying on the psychological weaknesses and deep anxieties of vulnerable Third World peoples, particularly their sense of being “backward” , “ traditional” and oppressed, projects new images of “ mobility” and “ free expression” , destroying old bonds to family and community, while fastening new chains of arbitrary authority linked to corporate power and commercial markets.

The attacks on traditional restraints and obligations is a mechanism by which the capitalist market and state becomes the ultimate center of exclusive power. Cultural imperialism in the name of “self-expression” tyrannizes Third World people fearful of being labeled “traditional”, seducing and manipulating them by the phony images of classless “modernity.” Cultural imperialism questions all pre-existing relations that are obstacles to the one and only sacred modern deity: the market. Third World peoples are entertained, coerced, titillated to be ‘modern’, to submit to the demands of capitalist market to discard comfortable, traditional, loose fitting clothes for ill-fitting unsuitable tight blue jeans.

Cultural imperialism functions best through colonized intermediaries, cultural collaborators. The prototype imperial collaborators are the upwardly mobile Third World professionals who imitate the style of their patrons. These collaborators are servile to the West and arrogant to their people, prototypical

authoritarian personalities. Backed by the banks and multinationals, they wield immense power through the state and local mass media. Imitative of the West, they are rigid in their conformity to the rules of unequal competition, opening their country and peoples to savage exploitation in the name of free trade. Among the prominent cultural collaborators are the institutional intellectuals who deny class domination and imperial class warfare behind the jargon of objective social science. They fetishize the market as the absolute arbiter of good and evil. Behind the rhetoric of 'regional cooperation', the conformist intellectuals attack working class and national institutions which constrain capital movements -- their supporters isolated and marginalized.

Today throughout the Third World, Western funded Third World intellectuals have embraced the ideology of concertation (class collaboration). The notion of interdependence has replaced imperialism. And the unregulated world market is presented as the only alternative for development. The irony is that today as never before the "market" has been least favorable to the Third World. Never have the U.S., Europe and Japan been so aggressive in exploiting the Third World. The cultural alienation of the institutional intellectuals from the global realities is a byproduct of the ascendancy of Western cultural imperialism. For those critical intellectuals who refuse to join the celebration of the market, who are outside of the official conference circuits, the challenge is to once again return to the class and anti-imperialist struggle.

North Americanization and the Myth of an International Culture

One of the great deceptions of our times is the notion of 'internationalization' of ideas, markets and movements. It has become fashionable to evoke terms like "globalization" or "internationalization" to justify attacks on any or all forms of solidarity, community, and/or social values. Under the guise of "internationalism", Europe and the U.S. have become dominant exporters of cultural forms most conducive to depoliticizing and trivializing everyday existence. The images of individual mobility, the "self-make person", the emphasis on "self-centered existence" (mass produced and distributed by the U.S. mass media industry) now have become major instruments in dominating the Third World.

Neo-liberalism continues to thrive not because it solves problems, but because it serves the interest of the wealthy and powerful and resonates among some sectors of the impoverished self-employed who crowd the streets of the Third World. The North Americanization of Third World cultures takes place with the blessing and support of the national ruling classes because it contributes to stabilize their rule. The new cultural norms, the private over the public, the individual over social, the sensational and violent over everyday struggles and

social realities, all contribute to inculcating precisely the egocentric values that undermine collective action. The culture of images, of transitory experiences, of sexual conquest, works against reflection, commitment and shared feelings of affection and solidarity. The North Americanization of culture means focusing popular attention on celebrities, personalities and private gossip -- not on social depth, economic substance and the human condition. Cultural imperialism distracts from power relation and erodes collective forms of social action.

The media culture that glorifies the 'provisional' reflects the rootlessness of U.S. capitalism -- its power to hire and fire, to move capital without regard for communities. The myth of "freedom of mobility" reflects the incapacity of people to establish and consolidate community roots in the face of the shifting demands of capital. North American culture glorifies transient, impersonal relations as "freedom" when in fact these conditions reflect the anomie and bureaucratic subordination of a mass of individuals to the power of corporate capital. North Americanization involves a wholesale assault on traditions of solidarity in the name of modernity, attacks on class loyalties in the name of individualism, the debasement of democracy through massive media campaigns focusing on personalities.

The new cultural tyranny is rooted in the omnipresent repetitive singular discourse of the market, of a homogenized culture of consumption, of a debased electoral system. The new media tyranny stands alongside the hierarchical state and economic institutions that reach from the board rooms of the international banks to the villages in the Andes. The secret of the success of North American cultural penetration of the Third World is its capacity to fashion fantasies to escape from misery that the very system of economic and military domination generates. The essential ingredients of the new cultural imperialism is the fusion of commercialism-sexuality-conservatism each presented as idealized expressions of private needs, of individual self-realization. To some Third World people immersed in everyday dead end jobs, struggles for everyday survival, in the midst of squalor and degradation, the fantasies of North American media, like the evangelist, portray "something better", a hope in a future better life -- or at least the vicarious pleasure of watching others enjoying it.

Impact of Cultural Imperialism

If we want to understand the absence of revolutionary transformation, despite the maturing of revolutionary conditions, we must reconsider the profound psychological impact of state violence, political terror and the deep penetration of cultural/ideological values propagated by the imperial countries and internalized by the oppressed peoples. The state violence of the 1970's and

early 1980's created long term, large scale psychic damage, fear of radical initiatives, distrust of collectivities, a sense of impotence before established authorities, even as the same authorities are hated. Terror turned "people inward" toward private domains.

Subsequently, neo-liberal policies, a form of "economic terrorism", resulted in the closing of factories, the abolition of legal protection of labor, the growth of temporary work, the multiplication of low paid individual enterprises. These policies further fragmented working class and urban communities. In this context of fragmentation, distrust and privatization, the cultural message of imperialism found fertile fields to exploit vulnerable peoples' sensibilities, encouraging and deepening personal alienation, self-centered pursuits and individual competition over ever scarce resources.

Cultural imperialism and the values it promotes has played a major role in preventing exploited individuals from responding collectively to their deteriorating conditions. The symbols, images and ideologies that have spread to the Third World are major obstacles to the conversion of class exploitation and growing immiseration into class conscious bases for collective action. The great victory of imperialism is not only the material profits, but its conquest of the inner space of consciousness of the oppressed directly through the mass media and indirectly through the capture (or surrender) of its intellectual and political class. Insofar as a revival of mass revolutionary politics is possible, it must begin with open warfare not only with the conditions of exploitation but with culture that subjects its victims.

Limits of U. S. Cultural Imperialism

Against the pressures of cultural colonialism is the reality principle: the personal experience of misery and exploitation imposed by Western multinational banks, the police/military repression enforced by U.S. supplied arms. Everyday realities which the escapist media can never change. Within the consciousness of the Third World peoples there is a constant struggle between the demon of individual escape (cultivated by the mass media) and the intuitive knowledge that collective action and responsibility is the only practical response. In times of ascending social mobilizations, the virtue of solidarity takes precedence; in times of defeat and decline, the demons of individual rapacity are given license.

There are absolute limits in the capacity of cultural imperialism to distract and mystify people beyond which popular rejection sets in. The TV "table of plenty" contrasts with the experience of the empty kitchen; the amorous escapades of media personalities crash against a houseful of crawling, crying hungry children. In the street confrontations, Coca Cola becomes a Molotov

cocktail. The promise of affluence becomes an affront to those who are perpetually denied. Prolonged impoverishment and widespread decay erode the glamour and appeal of the fantasies of the mass media. The false promises of cultural imperialism become the objects of bitter jokes relegated to another time and place.

The appeals of cultural imperialism are limited by the enduring ties of collectivities, local and regional, which have their own values and practices. Where class, racial, gender and ethnic bonds endure and practices of collective action are strong, the influence of the mass media are limited or rejected.

To the extent that preexisting cultures and traditions exist, they form a “closed circle” which integrates social and cultural practices that look inward and downward, not upward and outward. In many communities there is a clear rejection of the “modernist” developmental- individualist discourse associated with the supremacy of the market. The historical roots for sustained solidarity and anti-imperial movements are found in cohesive ethnic and occupational communities; mining towns, fishing and forestry villages, industrial concentrations in urban centers. Where work, community, and class converge with collective cultural traditions and practices, cultural imperialism retreats. The effectiveness of cultural imperialism does not depend merely on its technical skills of manipulation, but on the capacity for the state to brutalize and atomize the populace, to deprive it of its hopes and collective faith in egalitarian societies.

Cultural liberation involves not merely “empowering” individuals or classes, but is dependent on the development of a socio-political force capable of confronting the state terror that precedes cultural conquest. Cultural autonomy depends on social power and social power is perceived by the ruling classes as a threat to economic and state power. Just as cultural struggle is rooted in values of autonomy, community and solidarity which are necessary to create the consciousness for social transformations, political and military power is necessary to sustain the cultural bases for class and national identities. Most important, the Left must recreate a faith and vision of a new society built around spiritual as well as material values: values of beauty and not only work. Solidarity linked to generosity and dignity. Where modes of production are subordinated to efforts to strengthen and deepen longstanding personal bonds and friendship.

Socialism must recognize the longings to be alone to be intimate as well as to be social and collective. Above all, the new vision must inspire people because it resonates with their desire not only to be free from domination but free to create a meaningful personal life informed by affective non-instrumental relations that transcend everyday work even as it inspires people to continue to struggle. Cultural imperialism thrives as much on novelty, transitory relations and personal manipulation, but never on a vision of authentic, intimate ties

based on personal honesty, gender equality and social solidarity. Personal images mask mass state killings, just as technocratic rhetoric rationalize weapons of mass destruction ('intelligent bombs'). Cultural imperialism in the era of 'democracy' must falsify reality in the imperial country to justify aggression – by converting victims into aggressors and aggressors into victims.

The Cultural Dynamics of Globalization

The purpose of this introduction is not to summarize the rich and diverse contents of this book, but to present a picture of the cultural dynamics of globalization as seems plausible to me at this point. Most of the data making this picture possible has come from the research project on which the book is based; however, given the fact that the chapters on the various countries studied in the project are here within the same covers, I have refrained from tedious cross-references to these chapters.

A somewhat cynical colleague once remarked that the goal of every scholarly enterprise is to blow someone's theory out of the water. In this instance that someone was me. While it would be a wild exaggeration to say that I had a theory of cultural globalization, Berger and Huntington did have a picture of it, and I succeeded, more or less, in convincing Samuel Huntington, the codirector of the project, and the international research team to accept my picture as a starting point for the investigation (or, if you want to be properly *wissenschaftlich*, as a set of hypotheses).

Not surprisingly, over the more than two years of the project, most of them kept hacking away at this picture and, at the end of the day, I had to agree with most of the criticisms. In my own mind, at any rate, the basic features of the original picture have remained unscathed, but it has also become considerably more complicated. As I often tell my students, one of the pleasures of being a social scientist (as opposed to, say, a philosopher or theologian) is that you can have as much fun when you are proven wrong as when you are proven right.

The initial picture that the project had was a Toynbee-like one of challenge and response. The challenge is supposed to come from an emerging global culture, most of it of Western and indeed American provenance, penetrating the rest of the world on both elite and popular levels. The response from the target societies is then seen as occurring on a scale between acceptance and rejection, with in-between positions of coexistence and synthesis. I think that this picture still holds up; however, one must add to it a much more variegated set of reactions by the target societies, including those initiated by governments.

I will make some further preliminary observations before I begin to describe this more complicated picture. The term "globalization" has come to be emotionally charged in public discourse. For some, it implies the promise of an

international civil society, conducive to a new era of peace and democratization. For others, it implies the threat of an American economic and political hegemony, with its cultural consequence being a homogenized world resembling a sort of metastasized Disneyland (charmingly called a “cultural Chernobyl” by a French government official).

It is clear to me that both the promise and the threat have been greatly exaggerated, and this insight owes much to the complicated picture coming out of our research. Furthermore, there can be no doubt that the economic and technological transformations that drive the phenomenon of globalization have created large social and political problems such as the bifurcation between winners and losers, both between and within societies, and the challenge to traditional notions of national sovereignty. These problems cannot be dealt with here, though of course they must be taken into account as an ever present background. The present topic is the *cultural* dimension of the phenomenon, and “culture” is understood here in its conventional social scientific sense: as the beliefs, values, and lifestyles of ordinary people in their everyday existence.

What everyone assumes is not always wrong. There is indeed an emerging global culture, and it is indeed heavily American in origin and content. It is not the only game in town, as I shall try to make clear, but it is the biggest game going and it will likely stay that way for the foreseeable future. The Chilean historian Claudio Veliz has called it the “Hellenistic phase of Anglo-American civilization”, a phrase that is meant to dissociate it from explanations in terms of imperialism. The then relevant world became Greek at a time when Greece had virtually no imperial power; today, though the United States does have a great deal of power, its culture is not being imposed on others by coercive means.

Then as now, language is a crucial factor in this cultural diffusion. The principal vehicle of Hellenism was Koine, the basic and rather vulgar Greek in which, not so incidentally, the New Testament was written. Today, the English language, in its American rather than British form, is the koine of the emerging global culture. Regardless of the future of American imperial power, no rival is on the horizon. The millions of people all over the world who increasingly use English as their lingua franca do so mainly for practical reasons. Young Chinese who importune tourists to let them practice their English do so because they want to get on the Internet and improve their job prospects, not to read Shakespeare or Faulkner.

But people do not use language innocently. Every language carries with it a cultural freight of cognitive, normative, and even emotional connotations. So does the American language, even apart from the beliefs and values propagated through the American mass communication media. Just think of seemingly innocuous terms like “religious preference” or “sexual orientation”, or phrases

like “I cannot express myself in this job”, “I need more space in this relationship”, or “You have the right to your opinion.”

The emerging global culture is diffused through both elite and popular vehicles. Arguably the most important elite vehicle is what Samuel Huntington has felicitously called the “Davos culture” (after the annual World Economic Summit meeting in that Swiss mountain resort), an international culture of business and political leaders. Its basic engine is international business, the same engine that drives economic and technological globalization. But it would be misleading to think of this culture only in terms of those few likely to be invited to Davos; there are millions who *would like* to be invited and who engage in what sociologists have nicely called “anticipatory socialization.”

There is, for instance, a global network of ambitious young people in business and the professions who have popped up in every country studied in our project: a sort of yuppie *internationale*, whose members speak fluent English and dress alike and act alike, at work and at play, and up to a point think alike—and hope that one day they might reach the elite summits. However, one must be careful about assuming that this apparent homogeneity embraces their entire existence. It clearly does for some of them; for better or for worse, they are cosmopolitans all the way. But others manage an art of creative compartmentalization, seeking to combine participation in the global business culture with personal lives dominated by very different cultural themes. It will always be an empirical question which of these two options one ascribes to a particular group.

A comparison between eastern Germany and India is interesting in this regard. After unification, a horde of business consultants descended on the former German Democratic Republic, teaching and advising on how to behave in the new economy—essentially, how to become Wessies. There has been a good deal of sullen resistance to this (including the so-called Ossie nostalgia), but the cultural resources to maintain or construct alternative personal lifestyles have been very meager. By contrast, despite a multitude of business schools and training courses to teach Indians how to behave as participants in the global economy, many of the computer professionals in Bangalore succeed in combining such participation with personal lifestyles dominated by traditional Hindu values.

There is another elite sector of the emerging global culture, sometimes merging with the business culture, sometimes in tension with it. That is the globalization of the Western intelligentsia; I have called it, not so felicitously, the “faculty club culture.” It is carried by a variety of vehicles: academic networks, foundations, nongovernmental organizations (NGOs), some governmental and intergovernmental agencies. It too seeks and actively creates markets throughout the world, but the products it promotes are not those of

multinational corporations but the ideas and behaviors invented by Western (mostly American) intellectuals, such as the ideologies of human rights, feminism, environmentalism, and multiculturalism, as well as the politics and lifestyles that embody these ideologies.

Just as would-be East German and Indian participants in the elite business culture must learn the appropriate behavior and acceptable opinions of this culture, so, *mutatis mutandis*, must those who want to be successful in the elite intellectual culture. In addition, since the latter culture is by definition much more ideological than the pragmatic business world, the price of admission to faculty club culture is higher in terms of its impingement on personal life. Put simply, a successful businessman in Eastern Europe may act like an American in the boardroom but go home and, in the best indigenous tradition, beat his wife and order the children about. The Eastern European intellectual who wants to have a good relationship with the Ford Foundation, however, will have to be more careful if he wants to keep a compartmentalization going. The two cultures often interpenetrate. Thus corporations hire longhaired academics to teach intercultural or gender “sensitivity” to their employees (in the possibly mistaken belief that this will enhance productivity); on the other hand, human rights and environmentalist activists attack corporations for this or that alleged misbehavior. The two cultures then find themselves in conflict.

What may be broadly called the “health ideology”, which has its origins in the American intellectual class, has spread beyond it to affect much wider masses of people in their values and behavior and has led to global political activism. The business culture has absorbed much of this by instituting “wellness” programs and encouraging “fitness.” At times, though, there has been conflict, as in the assault of the antismoking movement on the tobacco industry. The story of the antismoking legislation in South Africa is instructive in this regard. With the demise of the apartheid regime a government came into power that was dominated by people with a long and positive relationship with Western NGOs. The antismoking legislation (proudly announced as the most stringent anywhere in the world) was the direct result—a bizarre one in a country on the verge of a catastrophic AIDS epidemic. This action was clearly not the result of a pragmatic assessment of the country’s most pressing health needs, but of the influence of the Western-dominated faculty club culture.

It is intriguing to look at the two elite cultures in the light of the old neo-Marxist dependency theory. The Davos and the faculty club cultures have their “metropolitan” centers, with a “periphery” dependent on them. But the centers of the former culture are no longer exclusively Western. There are also powerful centers in Tokyo, Hong Kong, and Singapore, with Shanghai and Bombay as potential additions. The “metropolis” of the globalized intelligentsia is much more exclusively Western, indeed American. Thus, when the term “cultural

imperialism” is used, it is probably more applicable to East 43rd Street, where the impressive headquarters of the Ford Foundation are located, than to the corporate bastions of Wall Street and Madison Avenue. I might add that this is a descriptive statement, not necessarily a value judgment. One may deplore *or* welcome the influences emanating from any of these Manhattan addresses.

Be this as it may, the preponderant position of the United States in both elites is not open to doubt. It follows that the most important “globalizers” are Americans. James Hunter has provided a picture of this group, whom he calls “parochial cosmopolitans”: people who move with the greatest of ease from country to country while remaining in a protective “bubble” that shields them from any serious contact with the indigenous cultures on which they impinge. The bubble also shields them from serious doubts about what they are doing. Hunter finds this type of person in both corporations and NGOs, with the possible exception of those engaged in evangelical missionary enterprises.

Hunter’s depiction of these “globalizers” has been criticized; it may have left out more sophisticated members of both elites. However, it plausibly describes an important segment of American businesspeople and intellectuals engaged in global activities. They are reminiscent of Arthur Miller’s famous salesman, who rides “on a smile and a shoeshine” —a prototypical American figure. Compared with earlier “civilizing missions” (say, the British or French ones, not to mention the unlamented Soviet one), this American “cultural imperialism” has about it a quality of (not necessarily endearing) innocence. It comes out clearly when these people are genuinely surprised by hostile reactions to their efforts.

By far the most visible manifestation of the emerging global culture is in the vehicle of popular culture. It is propagated by business enterprises of all sorts (such as Adidas, McDonald’s, Disney, MTV, and so on). Although control of these enterprises is exercised by elites, popular culture penetrates broad masses of people all over the world. The vast scope of this penetration can hardly be overestimated. Just take one statistical indicator: In 1970, 10.3 percent of Chilean households had televisions; in 1999 the figure was 91.4 percent. Although some of the programs carried by Chilean television originate from within the country, an enormous number of the contents came from abroad, mostly from American media.

Much of the consumption of this popular culture is arguably superficial, in the sense that it does not have a deep effect on people’s beliefs, values, or behavior. In principle, an individual could wear jeans and running shoes, eat hamburgers, even watch a Disney cartoon, and remain fully embedded in this or that traditional culture. However, an inhabitant of a Chilean shantytown wearing a T-shirt with the inscription “Make Love Not War” may be expressing a more significant change. Nor is it likely that young Chilean people dancing

frenetically to rock music are engaged in the consumption of a cultural import with no significant consequences on outlook and behavior (as the official guardians traditional values are rightly aware).

I would suggest a differentiation between “sacramental” and “nonsacramental” consumption. Anglican theology defines a sacrament as the visible sign of an invisible grace; *mutatis mutandis*, the definition applies mere as well. Some consumption of the globalizing popular culture is quite “nonsacramental.” To paraphrase Freud, sometimes a hamburger is just a hamburger. But in other cases, the consumption of a hamburger, especially when it takes place under the golden icon of a McDonald’s restaurant, is a visible sign of the real or imagined participation in global modernity. The research on McDonald’s restaurants in East Asia by the Harvard anthropologist James Watson and his team (to which Yunxian Yan belonged) suggests that there is a switch from “sacramental” to “nonsacramental” consumption as this type of fast food becomes commonplace over time. In Beijing, as in other places, when McDonald’s was a newcomer, people went there not just to eat hamburgers but to participate vicariously in American-style modernity. In Tokyo or Taipei, where McDonald’s had been around for a long time, going there was just one consumer option among many: the hamburger was just a hamburger. Needless to say, there is no way of deciding a priori which type of consumption prevails. It will always be a matter of empirical inquiry.

Finally, the emergent global culture is carried by popular movements of one kind or another. Some of them are linked to faculty club culture, such as the feminist and environmental movements, or what the French sociologist Daniele Hervieu-Leger called the “ecumenism of human rights.” Sometimes the efforts of their Western sponsors fail to produce genuine popular movements, in which case, to use the language of dependency theory, the indigenous activists constitute a *comprador* class in the service of metropolitan agencies. At other times, though, the missionary outreach is successful and popular movements with a broad appeal eventuate. Again, only careful empirical research can determine which of these two possibilities is in play.

I have long argued (and have not changed my mind) that evangelical Protestantism, especially in its Pentecostal version, is the most important popular movement serving (mostly inadvertently) as a vehicle of cultural globalization. It is a movement of astounding scope—in large areas of East and Southeast Asia, in the Pacific islands, in sub-Saharan Africa, and most dramatically in Latin America. The British sociologist David Martin, who has devoted many years to the study of this phenomenon, estimates that it involves at least 250 million people worldwide. And, as Martin has shown, it brings about a dramatic cultural revolution. The Chilean and South African data, for example, show how conversion to this type of religion transforms people’s attitudes to

family, sexual behavior, child rearing, and, most importantly, to work and general economic attitudes.

Not to put too fine a point to it, now as in an earlier period in Britain and North America, this is a religion that promotes what Max Weber called the “Protestant ethic” —a morality singularly appropriate for people seeking to advance in the nascent stage of modern capitalism. While this form of Protestantism is clearly of Anglo-Saxon origin (modern Pentecostalism originated in the United States some one hundred years ago), it has been successfully indigenized everywhere it has penetrated. It does not typically use the English language, and its worship (especially in its music) takes over many indigenous forms. However, the “spirit” that is expressed here has unmistakably Anglo-Saxon traits, especially in its powerful combination of individualistic self-expression, egalitarianism (especially between men and women), and the capacity for creating voluntary associations. Thus it not only facilitates social mobility in developing market economies (that, of course, was the gist of the Weberian thesis) but also facilitates actual or anticipated participation in the new global economy. To this must be added the fact that among the leaders of this movement there is a consciousness of being part of a global movement, with increasing cross-national contacts between them and with the centers of evangelicalism in the United States.

As observed earlier, there are both tensions and convergences between the different sector of cultural globalization, both on the elite and popular levels. If there is one theme that all have in common, it is individuation: all sectors of the emerging global culture enhance the independence of the individual over against tradition and collectivity. Individuation must be seen as a social and psychological process, manifested empirically in the behavior and consciousness of people regardless of the ideas they may hold about this. In other words, individuation as an empirical phenomenon must be distinguished from “individualism” as an ideology (though, of course, the two are frequently linked).

This insight is useful because it helps explain why the new global culture is so widely attractive. It has been understood for a long time that modernization undermines the taken-for-granted authority of tradition and collectivity and, therefore, by default, makes the individual more self-reliant. This is a “liberation”, but it may also be experienced as a great burden. “Individualism” as an ideology legitimates the “liberation” and, if necessary, helps alleviate the burden. In either case, the new global culture has a built-in affinity with the modernization process; indeed, in many parts of the world today it is identical with it.

For people caught in the early stages of the modernization process, there is above all a new sense of open possibilities and an aspiration for greater freedom—the sense of burden usually comes later. Thus the emerging global

culture is attractive to all those who value the individuation they have already experienced and aspire to an even greater realization of it. It is noteworthy that in this sense the global culture resembles Hellenism, which also celebrated the individual and his striving for “excellence”, thus freeing him from the constraints of tradition (Veliz’s metaphor holds up).

We now have a picture of a cultural earthquake affecting virtually every part of the world. When the earthquake hits, different people respond differently. There are cases of supine acceptance—the yuppie *internationale* mentioned before is a case in point. Then there are attempts at militant rejection, be it under banners of religion (Taliban) or nationalism (North Korea). Since total isolation from the global culture necessarily requires near total isolation from the global economy, the costs of this posture are very high indeed. But there are less totalistic forms of rejection, typically practiced by governments trying to balance global economic participation with resistance against global culture—China is the most important case of this. It is a difficult balancing act. More intriguing are the cases in-between acceptance and rejection.

There is almost everywhere what James Watson called “localization”: the global culture is accepted but with significant local modifications. As Watson points out, McDonald’s in America has an implicit contract with its customers: it provides clean, inexpensive food; they eat it and leave promptly. That, after all, is the meaning of *fast* food. In East Asia this contract had to be modified because customers *linger*. Two groups especially do this: housewives relaxing in the restaurant after shopping or other errands and schoolchildren before going home. The attractions are clean premises, accessible restrooms, and (for the housewives) protection against inopportune advances. This localization is particularly interesting because it has obvious economic consequences to which McDonald’s management has had to adapt.

But the localizations can have more far-reaching aspects. For example, Buddhist movements in Taiwan have taken on many of the organizational forms American Protestantism to propagate a decisively non-American, non-Western religious message. For another example, a peculiarly German institution, the Love Parade, took over the form of the American gay pride march but made it into a pan-erotic festival marked by a distinctively German methodical seriousness (thus, perhaps, falsifying the thesis that “German orgy” is an oxymoron).

Impinging global influences can also lead to a revitalization of indigenous cultural forms. Thus the inroad of Western-based fast food chains in India and Japan has led to the development of fast food outlets for traditional foods, and the invasion of Western fashions in Japan has led to the development of an indigenous fashion industry marked by distinctively Japanese aesthetics.

Localization shades over into another response, best described by the term “hybridization.” This is the deliberate effort to synthesize foreign and native cultural traits. Japan, ever since the Meiji Restoration, has been a most successful pioneer of this response, but there are many other examples. The development of an overseas Chinese business culture, combining the most modern business techniques with traditional Chinese personalism, is a very important case of this, given the great economic success of the Chinese diaspora throughout the world.

However, as mainland China becomes integrated into the global economy, very similar hybridizations can be observed, as in the newly fashionable notion of the “Confucian merchant.” The case of software engineers in Bangalore who garland their computers in Hindu ceremonies is a particularly dramatic example of the same thing. On a much less sophisticated level, the synthesis of Christianity and traditional religions in the so-called African indigenous churches (AICs) is another fascinating case. All these cases make it abundantly clear that the idea of a mindless global homogenization greatly underestimates the capacity of human beings to be creative and innovative in the face of cultural challenges.

Yet there are differences between cultures in the capacity to adapt creatively. The distinction between “strong” and “weak” cultures suggested by Samuel Huntington is useful in this connection (though it is important to stress that these are descriptive categories, not value judgments). The cultures of eastern and southern Asia—notably Japan, China, and India—have been notably “strong”, while African cultures and some in Europe have been relatively “weak.”

The German case is particularly interesting. One would intuit that one is dealing with a “strong” culture here, but it turns out not to be.

The reasons are clear. Sensitivity to the charge of revived nationalism in the wake of the Third Reich has weakened the willingness to assert German cultural self-esteem and has brought about a relatively passive posture in the face of impinging influences from abroad. This becomes clear when Germany is compared with other European societies (notably France) and goes far in explaining why Germany (more precisely, Germany to the west of the former Iron Curtain) seems to be the most “Americanized” country in Europe.

Some of the concepts developed in the 1970s by Brigitte Berger, Hansfried Kellner, and myself in the context of modernization theory are surprisingly applicable to the phenomenon in question here. We said that modernity comes in “packages” containing patterns of both behavior and consciousness. Some of these packages can be taken apart and reassembled without arresting the modernization process, such as the package of Christianity and modern medicine brought by Western missionaries. We called these linkages “extrinsic.” Other packages cannot be taken apart without stopping the modernization

process, such as the linkage between modern medicine and a scientific conceptualization of causality. These we called “intrinsic” linkages.

When packages are diffused from one societal sector to another, we spoke of “carryover” —as when economic costs/benefits thinking is carried over into family life (marriage as a contract, children as investments, and so on). And when the attempt is made to limit the diffusion, we called this “stoppage” —as when individuals behave one way at work and then behave very differently when they come home (the Japanese businessman takes off his navy blue suit, puts on a *yukata*, and practices his calligraphy). I think these concepts remain useful as one tries to understand different responses to the emerging global culture.

The above series of responses to the challenge of the emergent global culture do not provide the whole picture. There is also the increasingly significant phenomenon of *alternative globalizations*; that is, cultural movements with a global outreach originating outside the Western world and indeed impacting on the latter (in her discussion of India’s hoped-for new “tryst with destiny”, Tulasi Srinivas uses the term “emissions” to refer to the same phenomenon). This is important, not only because it corrects the notion that non-Western and non-American cultures are simply reacting to the forces of cultural globalization, but because it implies that there may be more than one path to modernity. This too is not an altogether new idea. In recent years it has been revived in the writings of the Harvard Sinologist Tu Weiming, the Israeli sociologist Shmuel Eisenstadt, and others. In other words, alternative globalizations intend the possibility of alternative modernities.

These movements can also be found on both elite and popular levels. On the elite there have been both secular and religious movements of alternative globalization. While this particular appeal has diminished in recent years (to be precise, since the recent Asian economic difficulties), Western business and policy circles were for a while eagerly striving to emulate Japanese industrial policy and management techniques. A good religious example is Opus Dei, arguably the most influential Catholic organization in the world today.

Opus Dei began in Spain but is now very influential in Latin America (including, notably, Chile), the Philippines, and other Catholic communities. It is militantly conservative in its theology and morality but very positive in its attitude to modern global capitalism. Opus Dei was very active politically in the waning years of the Franco regime and was instrumental in the transition to a market economy (and later, at least indirectly, in the transition to democracy in Spain). The two most prestigious business schools in Spain are run by Opus Dei.

What is involved here is more than an intelligent accommodation with social change. There is the deliberate attempt to construct an alternative modernity—capitalist, democratic, but at the same time resolutely loyal to Catholic religious

and moral traditions. And this, incidentally, explains why Pope John Paul II has been so favorably disposed toward Opus Dei, in contrast with his skepticism toward the Jesuits, who used to be the elite cadre of militant Catholicism but whose traditional loyalties have become somewhat shaky in recent years. In Latin America there has also been the conscious effort to posit an “integral” Catholic culture against the “Americanizing” force of evangelical Protestantism.

On the popular level, but sometimes reaching into more elevated social strata, India has “emitted” a number of highly influential religious movements. The Sai Baba movement is a good example, claiming two thousand centers in 137 countries; the claim may be exaggerated, but there is no doubt that there are many such centers in Europe and North America. This movement is starkly supernaturalistic, clearly an alternative to a modern scientific worldview. The Hare Krishna movement is an even more visible case of Indian cultural “emission.” Similarly successful in the West have been a number of Buddhist movements, such as Soka Gakkai, which comes out of Japan. The “Buddhist renaissance” in Taiwan intends a global outreach as well; thus the Tzu-Chi Foundation has branches in forty countries.

Islamic movements in Turkey and all over the Muslim world clearly intend an alternative modernity: not rejecting modernity in the style of the Taliban in Afghanistan or even the militant factions in the Iranian regime, but rather seeking to construct a modern society that participates economically and politically in the global system but is animated by a self-consciously Islamic culture. A comparable Islamic movement in Indonesia—precapitalist, prodemocratic, tolerant of religious pluralism, but decisively committed to the Muslim faith—was an important factor in the demise of the Suharto regime and the election of its own leader, Abdurrahman Wahid, to the presidency. Throughout the Muslim world today, even in Iran, such visions of an alternative Islamic modernity are gaining influence.

Arguably the most important cultural influence coming from Asia into the West is not carried by organized religious movements but arrives in the form of the so-called New Age culture. It has affected millions of people in Europe and America, both on the level of beliefs (reincarnation, karma, the mystical connections between the individual and all of nature) and of behavior (meditation, yoga, shiatsu, and other forms of therapeutic massage; tai-chi and the martial arts; generally, the use of alternative medical traditions of Indian and Chinese provenance). Given its nonorganized, broadly diffused character, New Age is more elusive than the religious movements mentioned above, but it is being studied by an increasing number of scholars of religion. It remains to be seen to what extent New Age will permanently influence the “metropolis” of the emerging global culture and thus modify the shape of the latter. The British

sociologist Colin Campbell has tellingly described the New Age phenomenon as “easternization.”

As far as popular culture is concerned, Japan has been the most successful “emitter.” Japanese automotive and electronic products have earned their reputation for reliability, and in consequence Japanese notions and techniques of quality control have greatly influenced European and American industry as well as consumer behavior. The case of Shiseido cosmetics is interesting, like that of the Japanese fashion and design industries, in combining modern products with traditional Japanese notions of aesthetics and finding that this has an appeal beyond the borders of Japan. In all of this, incidentally, the analogy with Hellenism is again instructive. In the late Roman period, in circles dissatisfied with what Greco-Roman civilization had to offer, there was a turn toward the East in terms of behavior and ideas—*ex oriente lux*. In the end, the West Asian movement of Christianity was the greatest beneficiary of this cultural development.

A further complication must be added to our picture, as there are also what could be called *subglobalizations*—movements with a regional rather than global reach that nevertheless are instrumental in connecting the societies on which they impinge with the emerging global culture. “Europeanization” is probably the most important case of this, especially in the countries of the former Soviet bloc. German and Austrian influences in Hungary and other ex-communist countries, Scandinavian influences in the Baltic states, and Turkish influences in Central Asia serve both to “Europeanize” and to globalize. There is also the ideological project of a distinctively European version of modern capitalism, seen of course in contrast to what is perceived as the Anglo-Saxon version. The linkage of Europeanization and secularization is a particularly interesting aspect of this. As countries are absorbed into the “European project”, a distinctive “Euro-secularity” seems to be part of the deal—it can be observed most dramatically today in Poland and Ireland.

There are other cases: the diffusion of Hong Kong and Taiwan media in Southeast Asia and mainland China, and of Japanese popular culture in Taiwan; Mexican and Venezuela media penetrating other Latin American countries and the Hispanic population in the United States. There are also African American influences in South Africa, sometimes with ironic effects: dashikis, colorful shirts with African motifs worn by men, come from western Africa and were never seen in South Africa during the apartheid period. They became popular among African Americans as part of a new black self-consciousness, were introduced into South Africa via the United States, and are now sold as “Mandela shirts” in fashionable boutiques in Johannesburg and Cape Town. None of these cultural items are part of the emerging global culture as such, but

they *mediate* between the latter and the more parochial cultures on which they impinge.

Under certain political conditions, it is clear, tensions between global and indigenous cultures can give rise to what Samuel Huntington has called a “clash of civilizations.” But there are also sharp cultural conflicts within societies, if you will, an internalized “clash of civilizations.” The conflict between a secularized elite and religious revitalization movements is an important case in point—dramatically visible in Turkey, other Muslim countries, Israel, and India. The cultural tensions between Wessies and Ossies in the wake of German reunification were mentioned before. Furthermore, Western “culture wars” are exported as part and parcel of the globalization process. Thus a Hungarian, for instance, looking west for cultural inspiration, comes on free market ideology versus environmentalism, freedom of speech versus “politically correct” speech codes, Hollywood machismo versus feminism, American junk foods versus American health foods, and so on. In other words, “the West” is hardly a homogeneous cultural entity, and its conflict-laden heterogeneity is carried along by its globalization.

Cultural globalization is a turbulent affair, very hard to control. Some governments, of course, make the attempt. “Managed globalization” (as Yunxiang Yan calls it) by the Chinese regime is the most important case, but similar efforts can be seen in both authoritarian and democratic regimes. France is a case of the latter, as is Quebec and Canada as a whole. The Mbeki government in South Africa speaks of an “African renaissance”, the ingredients of which are somewhat vague at this point, but the intention is also to “manage” the globalization process through state actions. This case is interesting because it is an effort to carve out an alternative modernity from rather “weak” cultural resources—any successes here would be very interesting (and cheering) indeed.

Here the problems of cultural globalization link up with the problems of economic and social globalization—notably, the problem of how to “manage” the losers in the global system. Social resentments can be channeled into cultural resistances, the “Seattle syndrome” legitimated in cultural terms. The campaign against McDonald’s in France is a good example of this: the economic worries of French farmers elevated into a defense of French civilization against American barbarity. With the (perhaps temporary) demise of Marxism, there is here a fertile field for a renascent left, in Europe as elsewhere. The old left themes of anticapitalism and anti-Americanism obtain a new lease on life. It is too early to tell how widespread this new constellation will be.

The picture that I have presented here is, as announced, quite complicated. It resists easy summations, except for the not unimportant conclusion that cultural globalization is neither a single great promise nor a single great threat. It also suggests that globalization is, *au fond*, a continuation, albeit in an

intensified and accelerated form, of the perduring challenge of modernization. On the cultural level, this has been the great challenge of *pluralism*: the breakdown of taken-for-granted traditions and the opening up of multiple options for beliefs, values, and lifestyles. It is not a distortion to say that this amounts to the great challenge of enhanced freedom for both individuals and collectivities. If one values freedom, one will be very reluctant to deplore this development, despite its costs. One will then be most interested in the search of middle positions between endless relativization and reactive fanaticism. In the face of the emerging global culture, this means middle positions between acceptance and militant resistance, between global homogeneity and parochial isolation. Such a search has its difficulties, but, as the data of our project show persuasively, it is not impossible.

Globalization and its Effect on Cultural Diversity

The discourse regarding the effects of globalization on cultural diversity is a challenging debate. The advancement of technology dissolves international boundaries and opens cultures to a whole new arena (Smith, 2000), enabling globalization to occur. Globalization can be an empowering entity. It can interconnect the world, support economic development, provide information availability and assist in developing a global village (Moahi, 2007).

There is a paradoxical dichotomy, a tangible undercurrent, when it comes to globalization and cultural diversity. On one hand, globalization has the potential to mobilize and empower people, provide a means for self-representation, support a collective identity through socialization and provide employment opportunities. On the other hand, it has the ability to disempower people by misrepresentation, provide a process for further colonization, and propel the loss of individualism and self and group identity.

Political theorist Fredric Jameson presents this as two competing future visions: one of a corporate-dominated monoculture where nations and cultural groups alike are deprived of autonomy and identity; and another of a vibrant celebration of pluralism, in which various cultural groups are in direct and harmonious contact with one another, free from limiting political forces such as national governments (1998).

Influences

Globalization provides both positive and negative influences on cultural diversity which can have far reaching impacts.

Negative Influences

Due to the unprecedented access to cultures, a much wider audience than ever before has a gateway to see, hear and experience phenomena that were never accessible previously (Smith, 2000). Misrepresentation, stereotyping and the risk of loss of cultural and intellectual property rights are the consequences of unmonitored access.

There are a number of negative impacts globalization has had on cultural diversity, including the influence multinational corporations have on promoting a consumer culture, exploitation of workers and markets and influencing societal values. This increased availability of commercial media and products can “drown out” local cultural influences.

Loss of individualism and group identity occur when globalization encourages a ‘Western ideal of individualism’. This promotes a homogeneous set of values and beliefs. The adoption of Western Culture and ideologies is seen as many computer-mediated technologies are developed, marketed and processed via western markets. The dominant population and culture of the day determine the next greatest technology along with the next commercialized gadget that will be offered up to the masses and longed for by those who are at arm’s reach of financially obtaining these devices. Kanuka (2008) also cites that e-learning technologies perpetuates colonization by designing curriculum that mimics the cognitive styles of the dominant culture.

Not having access to technologies that are present in the classroom, combined with an education system geared toward the dominant society can be a lethal combination for non-dominant cultures. The present education, legal and power structures reflect western ideas and philosophies. These western ideas are easily assimilated into other cultures and paradigms with far reaching effects. There is an assumption that the values and ideologies of the “Global North” will provide a suitable framework for the new knowledge economies of the developing “Global South” (Youngman, 2000).

Globalization allows further colonization which impacts intellectual property and cultural rights. Global access to information has opened the gateway to acquiring cultural property and information. Many view that ‘if it is out there it is free for the taking’, which includes cultural signs, songs, dance, rituals and other cultural artifacts. These icons of a culture are viewed as a living heritage and are an integral part of identity (Smith, 2000). Using images, reselling them and mis-representing these rights are considered property theft and a heinous crime against communities. It is difficult to monitor or control what is out on the Internet and therefore difficult to prevent and prosecute appropriately.

Positive Influences

The technological global mecca can be empowering for various cultures as it allows self-representation and information sharing on a whole new level. Technology provides a medium where depiction of images and portrayals of self-identity can provide the means in which truism can be established. Global media centres allow cultures a distinctive voice to promote awareness and provide public knowledge and understanding of their stories and identities. It also allows for the communication of their relevant accounts and commentaries on issues that are important in preserving the culture and knowledge acquisition of cultural ways, allowing them to retain their diversity. Being in charge of their own media production companies allows control of their artifacts, signs and symbols that are regarded as cultural property. When cultures are in control of their own public images they are better equipped to manage and represent their images appropriately without misrepresentation.

Instead of destroying some cultures, as others predicted, mass media assists in the revitalizing and restoring of cultural preservation of nations (Ginsburg, 2002). Technology can be used to preserve language, customs and culture. Technology allows for self-representation and preservation of personal and collective identity by providing autonomy and empowerment.

Global technology has provided the opportunity to redefine collective identity along with identifying a place for distinctive cultures. Global social, political and economic networks, combined with common goals, will no doubt enable the emerging empowerment among cultural peoples (Smith, 2000). This is far more advantageous than individual communities or groups coming forward to raise global or local concerns.

Global positioning of cultural groups allows social and political power that has previously not been seen. A major part of these revolutions can be attributed to social networking and information exchanges made possible by networking platforms like Facebook and Twitter. These avenues provide information sharing on a whole new level.

Utilizing global networking provides the opportunity to problem-solve and strategize with other cultures that are experiencing similar challenges in acclimatizing to technological change. It can become a platform to mobilize ideas, viewpoints, campaigns and strategies to protect and cultivate interests and garner political power. Global technology can become a stage for public support and public awareness leading to public acceptance. Relationships are a key component of communities and communication technology thereby provides the ability to foster and strengthen relationships over the miles, creating what is commonly known as a global village. These efforts allow cultures to remain intact.

Global awareness provides many benefits, including a spotlight on government policies, access to education, living conditions, and injustices, which promotes economic pressure from foreign countries to promote national change. Cultural awareness leads to empathy, understanding and tolerance, while global markets can lead to employment, economic and educational opportunities.

The positive side of this discussion recognizes that in the history of mankind, there have been many periods of time when greater communication between cultures has led to a flowering of creativity. Periclean Athens and Renaissance Italy are cited as prime examples. Diversity has become valued internationally, and is promoted through international organizations. This discourse views the homogenization of societies as necessary to create a “greater niche diversity” (TWBG, 2004).

Knowledge Community

Globalization has privatized and commercialized knowledge forcing a knowledge community to develop (Moahi, 2007). A Knowledge Community is a driving force when it comes to national and international political, social and economic development. Therefore contributions to this global economy cannot be underestimated. Cultural groups have provided input into this knowledge community; however, the dominant cultures will generally prevail.

Smith (2000) believes that globalization began in the West, and therefore it is their ideas, ideologies, values, and lifestyles that are promoted and evangelized throughout the rest of the world. Therefore the dominant culture tends to supersede all others. The global good is taken into account, as long as the ‘global’ that is being referred to means the dominant culture. This creates what is known as a mono-culture, one ideology, one culture and a homogeneous pool where society resides (Smith, 2000). Technology, which is not deemed to be culturally neutral, promotes the ideals, ethics and standards trumpeted by the dominant society. This provides finger-tip access to a range of cultures, however, also dissolves cultures into single supermarket brands (Daes, 2004). Those cultures and countries that cannot compete on a global level are left in the dust of the churning harvester of technology created by first-world countries. Developing countries do not contribute to technology and information building and sharing as compared to developed countries. Therefore, the ones who have the knowledge have the political power, and therefore the dominant ideologies. Their thoughts and belief patterns are perpetuated throughout society, enabling those who think alike, while crushing those that do not. For technology to level the playing field equal access and equal opportunities must abound in a technological society that is both gender and culturally neutral.

Impact on Education

Globalization has impacted education which is now available to remote cultures that previously did not have access. This has opened the doors to not only educational opportunities, but global employment opportunities as well. The advent of the notion of global citizens and the well-educated workforce of the emerging globalized system has shifted educational priorities and created upheaval in traditional styles of education also known as direct instruction. Furthermore, as countries recognize the immediacy of globalization, some have begun to establish guidelines to enshrine their own cultural diversity within an educational framework that meets the requirements of emerging globalization trends.

Globalization has also contributed to an increasing interest in English-language education worldwide. In response to the emergence of English as a world-linking, global language, an increasing number of schools have stepped up English-language requirements, even at undergraduate levels. The argument is that a universal teaching language is necessary as a natural consequence of globalization.

An example of the negative impact of globalization on education is Nigeria, where a plethora of local languages adds complexity to the task of educating citizens. This means that to maintain cultural diversity, allowances must be made for the multitude of local languages. The corresponding situation in Germany or China is much different – there universities are purposing complete courses in English that incorporate and encourage market mechanisms (Braslavsky, 2003).

Impact on Indigenous Cultures

As a result of globalization, many indigenous groups are being more widely exploited through the tourism industry. The increasing ease of access to these cultures by Western tourists allows for a greater interaction between the two which is not necessarily equal. Western tourists often view indigenous groups as quaint relics of the past that they can observe and report back on to their friends at home. Inevitably there is the acquisition of souvenirs which Western tourists put on display as examples of the primitive encounter they have returned from. Even though there is interest in the culture of these indigenous groups, there is rarely a sense of equality. The tourist often sees themselves as superior and worthy of being served.

The countries in which this type of tourism occurs (i.e. many African nations) often alter their policies to encourage the influx of tourist dollars to their countries. Many indigenous groups are moved from their traditional

territories in order to allow the Western tourist the greatest possible Safari experience. The efforts of Western conservation organizations have convinced many African nations to alter their conservation policies to the point where there is a direct impact on the abilities of indigenous groups to continue providing for their people in their traditional ways.

A positive spin off is the greater opportunity for employment in the service industry for locals. Again, though, this tends to perpetuate the inequity in status between the tourist and the local employee. As well, the main economic beneficiaries of the tourism industry in these nations are not necessarily the local indigenous workers but the wealthy elite. Even the displays of cultural practices (i.e. dances) may not be accurate reflections of traditions as they may be altered for the entertainment of the tourists. Also, this use of tradition for entertainment simply commercializes the local culture to the point where its significance may be compromised.

One of the main segments of indigenous society that are specifically targeted by multinational corporations are the young. Adolescents are far more susceptible to targeted consumerism and, as a result, may find that western consumer ideals may be more appealing to them than their own cultural traditions. They are easier to convert because their personal identity is not as set as that of an adult in their community. With this comes an erosion of cultural hierarchy as the sense of identity becomes more of a personal, individual choice, rather than a societal one. Many indigenous see globalization as a threat to the traditional family structure, creating a disconnect from cultural traditions.

Multinational corporations view indigenous land as a valuable commodity to be bought, sold, and exploited. This has had a great impact on local environments as traditional land use is being pushed aside in favour of specific uses designed to maximize the profits for larger entities. This conflicts with the view held by many indigenous groups that the land is the anchor that connects them to their culture. This exploitation has pushed many indigenous groups even further to the margins of society.

The fear for many indigenous groups is that this global pressure on their culture is only going to lead to the erosion of their traditional values to the point that the diversity of culture in the world will be slowly whittled away to the point that there will be only one large homogeneous culture worldwide. The consumeristic nature of globalization is often contrary to traditional indigenous values. Globalization does not take into consideration cultural and socioeconomic circumstances. Instead, it looks to further the interests of the larger, more influential countries and corporations which are the impetus behind its spread.

Working Together

Globalization has been vilified as an exploitative measure by the West to profit from cheap labor within developing nations, and subvert poorer cultures into westernized nations. However, globalization has created an interdependency (Dunklin, 2005), rather than a dependency, and allowed some cultures to thrive rather than wither. The Plains Apaches nation, for example, is a group who used technology to preserve their language, culture and customs after striking a special culture committee which took action against a society which was in jeopardy of fading (Prins, 2002). Technology was used for restorative and recuperative activities to promote the conservation of a culture in a respectful and meaningful manner.

Organizations such as Kiva promote financial support of “Global South” entrepreneurship in 40 different countries such as Cambodia, Nigeria and Bolivia for as little as \$25US. Operating with a default rate of .14%, this type of global hand up, rather than hand out, enables local men and women to stay in their villages, rather than have to travel to distance cities to find work, and provides economic freedom. There are numerous aid organizations that attempt to assist various cultures in economic, financial, education and health issues, while simultaneously maintaining their heritage, culture, beliefs and values.

Working Together and Pluralism

Canada, for example, has partnered with His Highness the Aga Khan to develop The Global Centre for Pluralism. This centre in Ottawa is built upon the premise of openness, tolerance and beliefs in other cultures that will strike a foundation for progress and development. Differences are celebrated and diversity is one of its core values. The Global Centre for Pluralism promotes education, research and espouses the values that support pluralist societal values.

Multiculturalism is celebrated every year in Jordon with the Jerash Festival. This festival celebrates Middle Eastern and Western societies coming together to celebrate commerce, art, and culture. Their legacy shines today in the splendid cities of the Greco-Roman and Arab east, such as Petra, Jerash, Gadara, and Palmyra.

Summarily, Webster’s Third New International Dictionary defines culture as the “total pattern of human behavior and its products embodied in speech, action, and artifacts and dependent upon man’s capacity for learning and transmitting knowledge to succeeding generations.” Globalization raises the fear that this definition will have only one pattern to define; that the resulting

absence of cultural diversity will, without intervention, leave succeeding generations with nothing but a homogenized, Westernized culture to inherit.

Regardless of whether one takes a positive or negative view of globalization's relationship to culture, it appears that the institutionalization of diversity may be diversity's biggest ally. In India, Korea, and Thailand, for example, steps are being taken to stay current with emerging trends in globalization. To ensure their labour forces are educated to be productive members of the international community, these countries have aggressively embraced globalization in their education systems. However, each country has unequivocally stated that national cultural education must be a part of its learning framework.

Globalization has complicated the process of education many times over, but in doing so has created many incredible opportunities for countries to break out of the traditional models of educating and work towards creating knowledge communities. The global citizen is seen as a person who can act locally but think globally, a goal that keeps an eye on maintaining cultural diversity while exposing a country's citizens to the benefits of globalization.

The debate around globalization being positive and or negative is an ongoing one. It can provide a stronger collective identity, empower individual and group distinctiveness while at the same time provide a means for misrepresentation, disempowerment and an avenue for further colonization. Cultural diversity can be strengthened through globalization by providing the means and wherewithal to support cultural groups attempting to make a difference in society while still maintaining their distinctive set of beliefs, practices and values.

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Neoliberalism and Imperialism: Theoretical Reprise, Summary, and Conclusion



Overview

Neoliberal imperialist oppression sees the market as the very paradigm of freedom, and democracy emerges as a synonym for capitalism, which has reemerged as the telos of history. In the official narratives of U.S. history, the historical victories of civil rights are dealt with as the final consolidation of

democracy in the United States, having relegated racism and poverty to the dustbin of history. The path toward the complete elimination of racist capitalist oppression is represented in the neoliberalist discourse of “color-blindness” and the assertion that equality can only be achieved when the law, as well as individual subjects, becomes blind to race, poverty and oppression. This approach, however, fails to apprehend the material and ideological work that oppression continues to do. When obvious examples of oppression appear to the global public, they are considered to be isolated aberrations, to be addressed as anachronistic attributes of individual behavior.

The inability to recognize the contemporary persistence of neoliberal oppression within institutions and other social structures results in the attribution of responsibility for its effects to the individuals who are its casualties, thus further exacerbating the problem of failing to identify the economic, social, and ideological work of oppression. There is a similar logic undergirding the criminalization of those communities, which are vastly overrepresented in jails and prisons, unemployment and poverty. By failing to recognize the material forces of oppression that are responsible for offering up such large numbers of humanity to the carceral state, the process of criminalization imputes responsibility to the individuals who are its casualties, thus reproducing the very conditions that produce oppressive patterns in incarceration and its seemingly infinite capacity to expand. The misreading of these oppressive patterns replicates and reinforces the privatization that is at the core of neoliberalism, whereby social activity is individualized and the enormous profits generated by the impoverishment and punishment industry are legitimized.

Theoretical Reprise: Oppression

Systems of oppression run through our language and shape the way we act and do things in our culture. Because systems of oppression have a history, meaning they have formed over time in specific political, economic and social contexts, we cannot get rid of systems of oppression all at once. It will take carefully planned, strategic anti-oppressive organizing and learning, as well as an understanding of histories of oppression.

Systems of oppression are built around what are understood to be “norms” in our societies. A norm signifies what is “normal,” acceptable, and desirable. “The norm” is something that is valued and supported in a society. It is also given a position of dominance, privilege and power over what is defined as non-dominant, abnormal and therefore invaluable or marginal. Norms are also considered to be stable or unchanging over time. They usually produce pairs of rules that define what is normal and what isn’t normal.

Oppression is a network of forces and barriers that are not accidental or occasional and hence avoidable, but systematically related in such a way as to catch one between and among them, restricting or penalizing motion in any direction. The experience of being oppressed is similar to the experience of being caged—all avenues, in every direction, are blocked.

Imagine a birdcage. If you look very closely at just one wire of the cage, you cannot see the other wires. You could examine that wire, up and down the length of it, and be unable to see why a bird would not just fly around it any time it desired to. There is no physical property of any one wire, nothing that the closest scrutiny could discover, that would reveal how a bird could be inhibited or harmed by it. It is only when you step back to view the whole cage that you can see why the bird does not go anywhere. Then it becomes obvious that the bird is surrounded by a network of systematically related barriers, no one of which would be the least hindrance to its flight, but which, in conjunction, are as confining as the solid walls of a dungeon. Oppression can indeed be hard to see and recognize: one can study the elements of an oppressive structure with great care without seeing the structure as a whole, and hence without recognizing that one is looking at a cage.

With this understanding of oppression, one can distinguish between the terms oppression and domination. Domination occurs when an individual or group coerces, controls, or intimidates others. Domination is noxious in all its forms, but not all domination is oppression. Domination is being blocked by a single wire of a birdcage. For example, when the one white boy at an all-black school is taunted and even physically assaulted, these are acts of domination, not oppression. Some would call this reverse racism, but that expression is misleading: it suggests that the boy is experiencing the same thing the black students are by growing up in a white-dominated society, which is not the case. Oppression is not merely individual instances of domination, prejudice, or ignorance; it is the systematic privileging of one group over another. It is not possible for a more privileged group to be oppressed by a less privileged group: therefore reverse racism is a contradiction in terms.

In some ways, terms like racism and sexism are also misleading: they fail to bring to light the fact that in every instance of oppression, there is a privileged group as well as a targeted one. In using such language, we can overlook the role we play in these systems of oppression. Racism sounds like a mere matter of prejudice and ignorance, but the problem is deeper than this: it is the centrality of whiteness in our culture, which is better described by a term such as white supremacy. Modern white supremacy is a long-standing, institutionally perpetuated system of exploitation and oppression of continents, nations, and peoples of color. White people and nations tyrannize others in order to maintain and defend a system of wealth, power, and privilege. By using language that

indicates this, we can identify clearly where privilege resides and what is actually at stake.

Identity

Western culture relies upon binary logic to classify things and people. From childhood, we learn oppositions like day/night, good/bad, boy/girl, and understand each word to have meaning only in relation to its opposite. Good means the complete absence of bad things, boy means the complete absence of girl things: boys are taught to be boys in large part by being discouraged from all behaviors deemed girlish. As we grow, we learn the many dualisms that frame the ways we see ourselves: feminine/masculine, homosexual/heterosexual, immigrant/native, children/adults, elderly/youthful, transgender/gender normative, color/white.

These dualisms contribute to a conception of the world that is oversimplified, even outright false. Not one of us embodies the extremes they define. All the same, we attempt to fit into the rigid boxes these words outline, so we can find words to describe who we are and live up to the words that describe what is worth being. In the process, we construct our individual identities, our sense of self, the defining of which then creates another binary: the I/other dichotomy. In rigidly defining who we are, we cast everything else as not like us, as other.

Just as each of us has an individual I, our society has a cultural I. The cultural I purports to represent the most prevalent social experience, even though the perspective it presents is actually that of a small minority, if of anyone at all. The cultural I is white, male, able-bodied, heterosexual, and every other characteristic defined as “normal,” and is coded into our society through a variety of visual and linguistic cues: the faces we see overwhelmingly in mass media, the implicit meanings in words like history and mankind. The cultural I can be recognized in what is not said, but assumed: philosophy means western philosophy, history means US history. The assumptions that some people don’t have accents, that only non-white communities are ethnic groups, these are both evidence of the cultural I at work; the same goes for the habit of referring to non-whites, women, and other demographics as “minorities,” despite the obvious fact that they comprise the majority of the population. The halves of the binaries which are normalized in this way come to be taken for granted as standard—even if, like the blonde actresses in Mexican soap operas, they are extremely uncommon—and we only specify aspects of people’s identities when they deviate from the norm.

Privilege

Whether they wish it or not, members of dominant social groups possess unfair advantages over members of less privileged groups. Privilege depends on the existence of hierarchy: an imbalance of power extending throughout society, providing some demographics with more resources, leverage, and comfort than others. The workings of hierarchy are justified by supremacist thinking, such as the idea that some groups are harder working, better equipped, or more deserving than others; they also are obscured by the obliviousness that comes of identifying with the cultural I. Privilege can be practically invisible to those who have it; it is often painfully obvious to those who do not.

Social dynamics are never so simple that people can be divided easily into oppressors and oppressed, however. Any individual may partake of privilege in one situation, and suffer its absence in another. It makes more sense to focus on the ways some benefit and others suffer in regard to specific criteria, with an eye to following how these shift in different contexts. A group of people who all identify as women of color may be composed of different religions, genders, class backgrounds, native tongues, ethnicities, sexual orientations, and conditions of mental health and experience subtle power imbalances within their ranks accordingly. Similarly, it is a mistake to think of different forms of oppression as existing in a hierarchy of grievousness, or to argue that some manifestations of oppression are mere subsets of others; to do so trivializes the unique experiences of human beings, which cannot be measured or reduced to abstractions.

Many privileged people think of themselves as self-sufficient, assuming that they live in a meritocracy and that all that they have in life is the result of their own hard work or that of their families. In doing so, they overlook the institutional and cultural advantages from which they benefit. To take stock of what advantages you might have in terms of racial privileges, consider how many of these statements reflect your experience:

- I can, if I wish, arrange to be in the company of people of my race most of the time
- I can turn on the television or open to the front page of the paper and see people of my race widely represented.
- I can be sure that my children will be given curricular materials in school that testify to the existence of their race and to the history and accomplishments of others of their racial background.
- I can go into a music shop and expect to find music made by others of my race, into a supermarket and find the staple foods that fit with my cultural

traditions, into a hairdresser's shop and find someone who can work with my hair.

- Whether I use checks, credit cards, or cash, I can count on my skin color not to work against the appearance of financial reliability.

- I can swear, dress in second-hand clothes, or not answer letters without having people attribute these choices to the bad morals, poverty, or illiteracy of my race.

- I can do well in a challenging situation without being called a credit to my race.

- I am never asked to speak for all the people of my racial group.

- I can criticize the US government and talk about how much I fear its policies and behavior without being immediately seen as a cultural outsider.

- I can be pretty sure that if I ask to talk to the "person in charge" I will be facing a person of my race.

- If my day, week, or year is going badly, I need not wonder of each negative episode or situation whether it has racial overtones.

For more perspective, go over this list again, replacing "race" with ethnicity, sex, gender, age, shape, and so on. Of course, no two white people experience white privilege in exactly the same way, just as not every man feels safer walking alone at night than every woman. Some people have made life decisions that result in them not experiencing many of the daily privileges enjoyed by others of their demographic: a taxi driver may be as likely to refuse to pick up a white man with facial tattoos as a black man without them. But privilege, on a deeper level, is not easily shaken off. The white man, in an extreme, can have his tattoos removed, while the black man knows that the challenges he faces in a racist society are inescapable. A woman from a middle class family may choose a life of poverty and even homelessness, but the fact that she is connected to people who might be able to help her in an emergency makes her experience very different from that of a homeless person of a poor background. Similarly, the advantages that come from having been raised in a privileged setting remain throughout one's life, whatever else happens. Those of privileged backgrounds who choose a path of exile upon which they experience alienation and persecution can draw on these experiences to imagine what life is like for those who never had their advantages in the first place.

Rather than denying the privileges one possesses or imagining one could somehow wash one's hands of them and thus of complicity in oppression, it makes more sense to use one's privileges, whatever they may be, to undermine privilege in general. One way to do so is to find ways to put these at the disposal of others who can benefit from them. If nothing else, one should always attempt to stay aware of the unfair advantages one has, and to take these into account in

interactions with others; but simply learning to recognize and decry one's privileges while still cashing in on them does not constitute an effective struggle against oppression.

In Search of a Holy Grail of Development Theory

The use of the term *development* to refer to national economic growth emerged in the United States beginning in the 1940s and in association with a key American foreign policy concern: how to shape the future of the newly independent states in ways that would ensure that they would not be drawn into the communist Soviet bloc. Motivated by this concern, the United States enlisted its social scientists to study and devise ways of promoting capitalist economic development and political stability in what was termed the developing world. Development theory refers to the research and writing that resulted from this effort.

There are different conceptions of development and, consequently, disparate approaches to the subject. However, all approaches are concerned with the relationship between development and governance. Development is usually seen as crucially determined by structures of governance; governance is interpreted through and shaped by the goal of development. Most development theory equates development with national economic growth and sees the state as its primary agent; consequently, one of its central concerns is to understand and explain the role of the state in development and the nature of government-market relations. Because these explanations relate development outcomes to the extent and form of the state's role in development, there is a close relationship between development theory and practice.

Development theory has changed over time with changes in ideology and the international environment, and, as it changes, so do its conceptions of development and governance and how they are related. Changing conceptions of governance and its relation to development can be traced through the major perspectives on development that have emerged since World War II, as represented by theories of modernization and growth, dependency and world systems theories, the resurgence of neoclassical theory, and an array of newer critical perspectives.

1. Theories of modernization and growth

Development involves innumerable variables, including economic, social, political, gender, cultural, religious, and environmental factors. But though development theory integrates concepts and perspectives from a range of disciplines, it was highly influenced by economic thought from the start. Early theoretical models of development equated development with economic growth

and industrialization, and theorists saw countries that had not yet achieved these as being at an earlier or lower stage of development relative to Europe and North America. The most influential proponent of this view was the American economic historian Walt W. Rostow. His 1960 book, *The Stages of Economic Growth: A Non-Communist Manifesto*, elaborated a linear-stages-of-growth model that defined development as a sequence of stages through which all societies must pass. This conception of the nature and process of development became the basic blueprint for modernization theory.

Modernization theory emerged following World War II to address the issue of how to shape the economies of states emerging from European colonization. Its implicit aim, as the subtitle of Rostow's book makes clear, was to shape the development of these countries along capitalist lines. Modernization was, thus, conceived of as the relations of production and standards of living characteristic of Western Europe and the United States. In line with Rostow's model, modernization theorists treated underdevelopment as a stage common to all developing countries and a result of weaknesses in the various factors of production—land, labour, and capital. Theorists emphasized increased savings and investment as the key to development and argued that international trade in products particularly suited to national factor endowments would enable more efficient resource allocation and greater earnings, and these could be translated into savings and then used to promote development. Theorists envisioned that—by disseminating technology, knowledge, managerial skills, and entrepreneurship; encouraging capital inflow; stimulating competition; and increasing productivity—foreign trade, together with foreign investment and aid, would be the engine of growth for developing countries.

2. Dependency and world systems theories



DEPENDENCY THEORY

Modernization theory claimed that once developing societies came into contact with western European and North American societies, they would be

impelled toward modernization and, eventually, would achieve the economic, political, and social features characteristic of the nations of Western Europe and the United States. However, by the 1960s it was apparent that the Third World was not passing through a stage of underdevelopment, as envisioned by modernization theory, but remaining underdeveloped. Thus, a counterclaim was advanced—that developing countries today are structurally different from the advanced countries and so will have to develop along different lines. This claim became the core of the structuralist thesis developed by intellectuals from Chile, Argentina, Brazil, and Peru brought together by the United Nations Economic Commission for Latin America (ECLA; today known as Economic Commission for Latin America and the Caribbean, ECLAC).

The main theoretical tenet of ECLA's approach was that former colonies and nonindustrialized nations were structurally different from industrialized countries and, therefore, needed different recipes for modernization. ECLA argued that colonization restructured former colonies' economies so that they specialized in producing raw materials, cash crops, and foodstuff for export at low prices to the colonizers' home countries. These structures created a dynamic that was continuing to impoverish former colonies and to thwart their modernization. According to ECLA, the international division of labour created by colonization had separated the international economy into a centre, consisting of the industrialized countries, and a periphery, which included all the rest of the countries around the world outside of the socialist camp. Because the prices of manufactured goods bought by the periphery were rising faster than those of raw materials, cash crops, and foodstuffs sold by the periphery to the centre, international trade ensured the persistence of an unbalanced process of development. Thus, in contrast to modernization theory, which emphasized the benefits of free trade, foreign investment, and foreign aid, these theorists argued that free trade and international market relations occur in a framework of uneven relations between developed and underdeveloped countries and work to reinforce and reproduce these relations.

This perspective formed the basis of what came to be known as dependency theory. Dependency theory rejects the limited national focus of modernization theory and emphasizes the importance of understanding the complexity of imperialism and its role in shaping postcolonial states. Its main tenet is that the periphery of the international economy is being economically exploited (drained) by the centre. Building on ECLA's perspective, dependency theorists argued that colonialism recast economies in the Third World in a highly specialized export-producing mold, creating fundamental and interrelated structural distortions that have continued to thwart development. Once this reshaping was accomplished, market forces worked to perpetuate the relationship of dominance and exploitation between centre and periphery.

During the 1970s there also emerged a perspective that elaborated an account of capitalist exploitation of the periphery from the perspective of the system's core. This theoretical enterprise became known as world systems theory. It typically treats the entire world, at least since the 16th century, as a single capitalist world economy based on an international division of labour among a core that developed originally in northwestern Europe (England, France, Holland), a periphery, and a semiperiphery consisting of core regions in decline (e.g., Portugal and Spain) or peripheries attempting to improve their relative position in the world economy (e.g., Italy, southern Germany, and southern France). The division of labor among these regions determined their relationship to each other as well as their type of labor conditions and political system. In the core, strong central governments, extensive bureaucracies, and large mercenary armies enabled the local bourgeoisies to obtain control of international commerce and accumulate capital surpluses from this trade. The periphery, which lacked strong central governments or was controlled by other states, exported raw materials to the core and relied on coercive labour practices. Much of the capital surplus generated by the periphery was expropriated by the core through unequal trade relations. The semiperiphery had limited access to international banking and the production of high-cost, high-quality manufactured goods but did not benefit from international trade to the same extent as the core.

Dependency and world systems theories share a common emphasis on global analysis and similar assumptions about the nature of the international system and its impact on national development in different parts of the world, but they tend to emphasize different political dynamics. Dependency theorists tend to focus on the power of transnational classes and class structures in sustaining the global economy, whereas world systems analysts tended to focus on the role of powerful states and the interstate system.

Initially, the logic of these perspectives supported a strategy that came to be known as import-substitution industrialization (ISI). The ISI strategy was to produce internally manufactured goods for the national market instead of importing them from industrialized countries. Its long-run objective was to first achieve greater domestic industrial diversification and then to export previously protected manufactured goods as economies of scale and low labour costs make domestic costs more competitive in the world market. In the 1950s, 1960s, and 1970s, ISI strategies were pursued by countries such as Chile, Peru, Brazil, Mexico, Argentina, Ecuador, India, Pakistan, the Philippines, Indonesia, Nigeria, Ethiopia, Ghana, Zambia, South Korea, Taiwan, and Japan. The strategy ultimately foundered because of the smallness of the domestic market and, according to many structuralist theorists, the role of transnational corporations in this system. These theorists concluded that ISI, carried out in

conditions of capitalist relations of production dominated by the economic empires led by the United States, was a recipe for further colonization, domination, and dependency.

Thus, beginning in the 1970s, theorists and practitioners heralded an export-oriented strategy as the way out of dependency. This strategy gives priority to the growth of manufacturing production aimed at world markets and the development of a particular comparative advantage as a basis for success in world trade. The strategy is based on lower wages and levels of domestic consumption (at least initially) to foster competitiveness in world markets, as well as to provide better conditions for foreign investment and foreign financing of domestic investment. By the 1980s, however, many countries that pursued this strategy ended up with huge foreign indebtedness, causing a dramatic decrease in economic growth. Though the theorization of types of peripheral development and their connection with the international system continued to undergo refinement in the 1980s and 1990s, structural theorists were not able to agree about what would end dependence and how a nondependent growth could be achieved.

3. The neoclassical counterrevolution

In the 1980s a neoclassical (sometimes called neoliberal) counterrevolution in development theory and policy reasserted dominance over structuralist and other schools of thought in much of the world. The emergence of this counterrevolution coincided with the abandonment by the developed countries of social democratic and Keynesian economic policies and, in particular, the policy of controlling capital movements, as well as the post-World War II trading regime. Critics have pointed out that this counterrevolution also coincided with and seemed to offer justification and support for a wave of market-oriented interventions by the World Bank and International Monetary Fund (IMF) and efforts to forge a unified global market regulated only by institutions reflecting the interests of transnational capital.

The neoclassical or neoliberal perspective represents a modification and further elaboration of modernization theory. However, in contrast to modernization theory, neoclassical theorists see development as the outcome not of strategic state action but of the action of market forces. The central claim is that failure to develop is primarily the result of too much government intervention and regulation of the economy. Neoclassical theory emphasizes the beneficial role of free markets, open economies, and the privatization of inefficient public enterprises. Its recommended strategy for development is to free markets from state control and regulation, so that capital, goods, and services can have total freedom of movement and there can be greater openness to international trade.

This is the basic blueprint for what has been termed good governance. The notion of good governance has been elaborated, in part, through a component of the neoclassical counterrevolution called new institutionalism. The basic premise of this perspective is that development outcomes depend on institutions such as property rights, price and market structures, money and financial institutions, firms and industrial organizations, and relationships between government and markets. The essence of good governance is to ensure the existence of these institutions and their proper role and functioning, as seen from the perspective of neoliberal theory. According to neoliberal thought, good governance requires freeing the market from state control and regulation; reducing government expenditures for social services like education and health care; maintaining roads, bridges, the water supply, and so forth; and selling state-owned enterprises, goods, and services (including banks, key industries, railroads, toll highways, electricity, schools, and hospitals) to private investors.

As evidence of the soundness of these policy prescriptions for the developing world, proponents point to the experience of four “Asian tigers”: South Korea, Taiwan, Singapore, and Hong Kong. These were the most-successful cases of the export-led industrialization strategy adopted by many countries in the 1970s. All were able to achieve economic growth based on export industries with a comparative advantage in cheap but skilled labour. All maintained high rates of domestic savings and investment (with correspondingly lower levels of consumption). However, many people point out that, in contradiction to the market-oriented reforms prescribed by neoliberal theory and its underlying rejection of state intervention, this national development strategy in all the tigers except Hong Kong was planned and executed through the institutions of a centralized authoritarian state.

4. Critical perspectives

A number of critical perspectives emerged in the 1970s that highlighted the cultural and ethical dimensions of development. Most prominent among these were the postmodern, postcolonial, and subaltern critiques of Eurocentric conceptions of modernity and development. Postmodern writing challenged grand narratives of the modern era—narratives of the inevitability of progress, the triumph of individuality, and the primacy of scientific truth—as oversimplified, oppressive, or tyrannical. Postcolonial theory focused on the legacy of colonial rule and especially the difficulties faced by former colonial peoples in developing national identity. Working within this general perspective, subaltern studies sought to rethink history from the perspective of the subaltern and, in this way, bring to light and assert the value of alternative experiences and ways.

These critiques succeeded in drawing attention to the ethnocentric basis of the idea of what constitutes development and the potential limitations inherent within this development, the tension between universal theories and a diverse developing world, the treatment of gender in conventional development theory, and the political content of economic development strategies as pursued by national governments, encouraged by international institutions and nongovernmental organizations (NGOs), and concealed behind the notion of aid. Eventually, these critiques helped focus attention on the need to broaden the concept of development to include a social development and human security dimension. One notable result has been the United Nations Development Programme's conceptualization of human development, which includes the capacity of people to lead long and healthy lives, acquire knowledge, and have access to the resources needed for a decent standard of living.

The notion of human development influenced development theory in at least two ways. First, it clarified the inadequacy of theories that focus on whole nations or societies and that use macroeconomic factors to explain differences in development conditions and to measure development: these theories cannot predict whether the wealth and material well-being generated nationally are widely enough distributed to provide the conditions for human development. Second, the notion of development as human development reemphasizes the importance of the state. It assigns the state a major role in protecting and advancing sustainable human well-being and argues the need for just the socially oriented state policies that neoliberalism proscribes—policies that improve the access of all people to human resource investments, productive assets, credit facilities, information flows, and physical infrastructure and protect the legitimate interests of producers, consumers, workers, and vulnerable groups in society. Thus, alongside the neoliberal call to dismantle public ownership, state planning, and government regulation of economic activities, there was a perspective that reinvigorated the call for a larger state role in development. These contending perspectives informed political debates about growth and governance and, in particular, what constituted good governance in the global context of development.

Neoliberalism rose to dominance out of the crisis the world capitalist system entered in the 1970s. Up until then, the capitalist class had struck a class compromise of “embedded liberalism.” Capitalist classes believed that Keynesian economic policies, including redistribution of wealth within the system, guaranteed strong and sustained growth. By the 1970s, when high inflation and economic stagnation engulfed the system, the ruling classes opted to abandon the compromise and to shift to an open class war on labor—in order to restructure the system to restore capital accumulation.

Over the course of the 1970s, they turned to a group of anti-Keynesian intellectuals to supply a new set of ideas. From the University of Chicago, future Nobel laureate Milton Friedman had laid the foundations of what would become neoliberalism. Friedman and the “Chicago Boys” advocated the liberation of the market from the state as the best way to ensure both freedom and economic growth. They pushed for privatization, deregulation, and the battering down of barriers to international trade. By the 1990s, such ideas had become the so-called “Washington Consensus” that dominated bourgeois economic policy.

“Neoliberalism”: What Is It? What Does It Mean?

The term stems from the original “liberal” economics of Adam Smith, who published his “Wealth of Nations” in 1776, the same year that the American Revolution began in earnest. In that seminal classic, the first to really adequately describe the functioning of market economics, Smith argued that markets work best when there is minimal interference from government, and that neither government, nor market players with any significant share of power, should be allowed to interfere with the “unseen hand” of the free market. What “neoliberals” do not understand, and very few are aware of, is the fact that Adam Smith mentioned limited liability corporations only twelve times in “Wealth of Nations”, and each time, he made it clear that his views did not favor them. In fact, he viewed transnational corporations (such as the East India Company, one of the largest transnationals of his day) with considerable mistrust and even alarm. He’d seen their behavior in India and the American colonies, and wanted no part of those abuses which had played no small part in bringing about the American Revolution itself, through the tax concessions it had won from the British crown at the ruinous expense of American colonial competitors. Smith felt, as did most of his contemporaries, that markets function only when populated by large numbers of *small, preferably local players*, who are kept free of the restraining influence of powerful corporations, monopolies and excessive governmental intrusion.

The Founding Fathers of the American Revolution had seen the abuses of the East India Company, and shared that mistrust. Laws were enacted throughout the colonies that limited what corporations could do, what size they could achieve, and how they could behave in the market, and most importantly, for how long they would remain enfranchised. Yet the money made by corporations supplying the war effort in the Civil War gave them the money and power they needed to get those laws changed. The first to succeed in doing so was the Union Pacific Railroad, in 1867. Chartered for the purpose of building half of a transcontinental railroad, it was also the first to use bribery, influence

peddling, stock “watering”, laying shoddy track only to qualify for the subsidies for which it qualified, and a host of other corporate abuses, still seen today.

But its power had grown to the point where the abuses were largely unstoppable, largely as the result of misinterpretation of the U.S. Supreme Court decision in *Santa Clara County vs. Southern Pacific*, in which it was incorrectly assumed that the Supreme Court granted corporations the rights of “natural” persons. Other entrepreneurs, seeing the UPRR’s success, and Southern Pacific’s new legal rights, emulated them both with a series of other large limited liability corporations, and by the end of the 19th Century, those entrepreneurs had become known as the Robber Barons. Wealth became so concentrated in such few hands that it hobbled the economic growth of the nation in what became known as the Robber Baron Era, or The Gilded Age.

By the Great Depression of the 1930’s, it had become apparent that unrestrained free markets had some serious flaws. First, the unrestrained accumulation of wealth brought with it the unrestrained accumulation of power - railroads were, for example, literally buying and selling corrupt state legislatures and U.S. senators among themselves as if they were commodities. The abuses of the Robber Baron Era had brought with it a replay of the abuses of the East India Company a century earlier and created in the popular mind an understanding of the need to rein in the power that the unrestrained concentration of wealth could bring.

Second, it had become obvious that there were certain functions that simply worked better when government ran them; road networks were the first, as it was obviously impractical to have to pay tolls to every property owner along a thousand miles of road. Second was the postal system. Chaos would reign if one had to buy a stamp for every private mail operator a letter might have to be handled by, so a single, unified postal system made a lot of sense. Water supplies and sewage and garbage collection were other examples. In a later era, electric power and telephone utilities would also arise as problematical, when streets were being rendered constantly impassible by continuous construction being done by one utility company after another. Some streets were left dark at noon by the forest of telephone wires from different, competing companies on overhead cables and wires.

Additionally, it became apparent that if private banks were allowed to freely control the money supply without any restraint, that a continuous cycle of boom and bust, caused by monetary inflation and contraction were inevitable. These business cycles had wreaked havoc and had caused much misery throughout the 19th century, and into the 20th, leading to the overwhelming misery of the Great Depression. What to do about it?

Into that gap of understanding stepped John Maynard Keynes. Keynes explained that government had a legitimate role in economic management, and

in the regulation of “natural monopolies,” whether by direct ownership or by tight regulation of private ownership. By engaging in deficit spending during contractions, and running budget surpluses during inflation, business cycles could be reined in and the misery of business panics could be avoided. Further, he argued among other things that business cycles had the effect of transferring vast sums of wealth from the poor to the rich, as a result of the fact that the poor had few means of defending themselves from the effects of a business panic or a monetary inflation, and the rich not only could defend themselves, but could even exploit the business cycle. This is why unregulated markets always created societies with a tiny, rich elite and a vast, dispossessed lower class.

Keynes’ ideas became known as “Keynesian economics.” They became the cornerstone of Franklin D. Roosevelt’s policies in dealing with the effects of the Great Depression. Roosevelt could see that the Crash of ‘29 had transferred truly vast amounts of wealth from the poor to the rich, leaving a whole nation impoverished, and so he sought to tax that wealth and allow access to it by means of government make-work policies. The idea was to not only create a middle class, but transfer most of the poor into it by providing them the opportunities to uplift their circumstances. In doing so, he earned the undying enmity of the wealthy, whose money he was taxing to pay for it. They sought their revenge. They got it by the “invention” of “neoliberalism.”

“Neoliberalism” is not based on Adam Smith, as is often claimed for it by the libertarian propaganda, but is, in reality, based largely on the ideas of an Austrian economist, Friedrich Hayek, who had written in the 1930’s that the control of an economy by a government is the “road to serfdom,” as he titled his treatise.

Asserting that human rights sprang from property rights, he claimed that a society could be no more free than its economy. The two principal failures of his analysis, were of course, first, the premise that human rights are a function of property rights, and that a society that planned its economy was doomed to serfdom. What Hayek never considered is that the obverse of such a policy is obviously that someone who has no property, has no rights, which means that person is, quite obviously, vulnerable to the very serfdom that Hayek claimed to fear. Witness the millions in debt-slavery in India and much of the rest of the world - the very serfdom that Hayek claimed to be repulsed by. The second major error was the assumption that corporations were entitled to the same property rights as individuals, and yet somehow deserved an exemption from liability that individuals do not enjoy – a basic inequality of rights. But nevertheless, his ideas had a great deal of resonance among social libertarians, who were highly enamored of an economic theory that corresponded to their social theories. It also found additional resonance in the writings of the Russian

philosopher and popular novelist, Ayn Rand, and became the basis of her philosophical celebration of what can only charitably be described as selfishness.

The conservatives of the Republican Party in the U.S. in the 1960's and 1970's used that period of slow economic growth as a means of persuading policymakers that Keynesian economics had somehow failed, and that only a turn to the deregulation advocated by Hayek could solve the problems of “stagflation” that had become such an intractable problem. So, claiming that Keynes was dead, “neoliberal economics” was born, brought to life in America by a bald, mousy-looking economist from the University of Chicago, by the name of Milton Friedman. Friedman knew that Hayek's ideas were functionally anti-egalitarian, regardless of the title of his most famous book, yet Friedman privately, but freely admitted that he was not an egalitarian and didn't care about fairness. This made him the instant darling of the “neo-liberals.”

Friedman was the undying, sworn enemy of Keynesian economics. He widely publicized what he considered to be a need to return to the “unseen hand” of the market to cure the “stagflation” of the time. His ideas were exactly what the right-wing rich elites needed in an economic theory. It was simple, easy to understand, superficially reasonable and logical, and above all else, suited their need for an economic theory, which, if implemented, would enable them to accumulate wealth and thereby transfer its accompanying power to themselves without restraint. It suited their desire for revenge and their greed and avarice beautifully.

Friedman very quickly became their darling, lavishly gifted, and being driven around the University of Chicago campus in a chauffeured limousine. Paul Samuelson, Friedman's long-time rival and the principal advocate of careful, sensible regulation of business and government intervention in the market in the Keynesian mold, tirelessly warned of the anti-egalitarian dangers of Friedman's approach, but amidst the propaganda, he was largely forgotten, even though it was his ideas that had not only prevented a return to business cycles, but had created a vast middle class in America in just a couple of decades following world war II. And ultimately, it was Samuelson's ideas which in the end saved the Chilean economy.

The “Neoliberal” Miracle

The “neoliberals” needed a testbed to “prove” their ideology and refine their repressive methods. And since Chile had just been handed to a kindred spirit, Augusto Pinochet, he was recruited to try them out and see how well they worked. The idea wasn't really to actually test them, as much as it was to create the illusion that they worked, whether they actually did or not, so they could be sold everywhere else in the world under a variety of labels: “neoliberalism”,

“free-market economics”, “libertarian economics” and “the Washington Consensus.” Most objective economists knew quite well from the beginning that they wouldn’t work in the long run and many said so publicly, but were quickly shouted down in the intellectual coup-d’état of the Ronald Reagan years.

There were five cardinal points of “neoliberal” agenda that were and are to be implemented wherever it was or is to be implemented, beginning in Chile. They include:

- **The supremacy of the free market.** The market was to rule supreme, unrestrained by the intervention of government, labor unions, or anything else (other than corporate monopoly power) that constrained the operation of market forces, regardless of how much social disorder, suffering or exploitation results. Any undesirable effects are to be ascribed simply to “unidentified interventions” which, when they were identified, could be eliminated, and the problem solved thereby. Monopolies were simply assumed, against all evidence, to be self-limiting (though no one ever managed to explain how DeBeers Consolidated Mines had managed to create and maintain a worldwide monopoly on the diamond business for more than a century).

- **Cutting, and eliminating when possible, expenditure for social services.** Again, in the name of reducing government interference in the market, it was not necessary for government to involve itself in social welfare programs. To explain the obvious suffering that results, it is therefore claimed that when the poor suffer, it is due to their own laziness that they do not better themselves. That the accumulation of money was equivalent to the accumulation of power, with its attendant distortion of the functionings of the market, was not a concern. That this led inevitably to the disempowerment of the poor was not a concern - the poor were blamed for their condition by claiming their “inferiority” or “bad decisions.” Social justice was a non-issue.

- **Deregulation.** If government is interfering in the market, it will only lead to a loss of profits, and therefore, government regulation had to be assumed to be bad. Therefore, it has to be reduced or eliminated, *even in monopolistic situations*. One neoliberal, Grover Norquist, an official in the George W. Bush administration commented that he wanted to reduce the size of government to the point where he “could drown it in the bathtub” - and then go on to do so.

- **Privatization.** Since government is assumed, as a given, to be inefficient, lazy, bloated and uneconomical in the provisioning of goods and services, it was only reasonable to presume that private enterprise could and would perform the delivery of services in a more efficient manner, and hence any activity that delivers goods or services to citizens should and must be privatized. Never was an explanation offered for the contrary incentive of capitalism that the capitalist’s basic profit-driven incentive is to charge as much money as possible for providing as few goods and services as possible.

- **Elimination of the concept of “Community” or the “Common Good.”** Since this is antithetical to the notion of privatization and “ rugged individualism” , the concept of the commons (the air we must all breathe, the water we must all drink, etc.) to them, reeks faintly of Communism, it is assumed to be bad, wrong, and hence is oppositional to the “ neoliberal” agenda. Such notions as public health, public education, etc., are to be replaced by private initiative, as anything else is simply considered to be a manifestation of lassitude, indolence and governmental dependence.

What Went Wrong with the Neoliberal “Miracle”?

What went wrong was simply the failure of Milton Friedman and his Chicago Boys to come clean about their real agenda, which is not to eliminate poverty or elevate the working class. What went wrong was that the dogmatism of Milton Friedman in his role as an intellectual poodle of the ultra-rich, rather than being an honest broker of economic policies intended to “ lift all the boats” - not just the yachts tied to the pier, while threatening the skiffs sitting on the beach.

What went wrong was America’s own preoccupation with free-market fundamentalism, and our failure to look beyond the surface propaganda, and our complicity in forcing a discredited and defective economic model on others reluctant to accept it.

But what went wrong mostly was the complete and utter failure of Friedman and the Chicago Boys, Pinochet and his American backers, to consider that economic activity does not occur in a vacuum. It occurs in a social and moral context, and economic decisions have social consequences that simply must be considered. And failure to do so can have severe social consequences that feed back into the economic decision-making, and thereby undermine the theoretical framework of the economic premises on which the decisions were based.

What Really Works

There are examples of nations that have lifted themselves from third-world status into first-world status. Japan, Korea, the nations of Western Europe, all come to mind. Other, more recent examples of nations that have begun to lift themselves up are also relevant. Even the United States was once a third-world nation, and it too had to lift itself up. How have these nations managed to reduce poverty and improve the standard of living of their inhabitants? It turns out that there are several factors that are common to *all* such nations. These factors are well-known to economists, and aren’t considered controversial anymore, except to free-market fundamentalists.

It is really rather simple, and there are four key factors, and they all contradict the conventional wisdom of free-market fundamentalism:

First, tariff barriers that protect targeted local industries from ruinous foreign competition and allow governments to incubate local industries through subsidy and import substitution. This is how the American steel industry came into being. In the 1860's, most steel in the world, including most of what was used in the United States was produced by Europe. By 1900, the situation was reversed. This situation was accomplished through the use of tariffs in the United States to generate the cash used to subsidize exports. The same thing happened with the American agricultural sector - tariffs kept cheap foreign food out, while the U.S. government fostered the growth of a strong and vibrant agriculture through targeted subsidies, the university extension program, and the creation of a rural transportation infrastructure. Once these programs were complete, tariffs were reduced and subsidies reduced or eliminated. The result is that American agriculture now feeds not only America, but much of the world.

Second, government has to work carefully and judiciously with local business to stimulate research, development and the improvement of efficiencies so that they can compete on world markets, and enforce discipline by removing support from players who do not improve their economic efficiency or the quality of their output. An example is the American agricultural industry. It went virtually nowhere in world markets until the U.S. Congress created the university extension system, with its local offices and agents that helped farmers come to understand what they needed to do to produce economically and efficiently enough, with sufficient quality, to compete in world markets. This is how first Japan, and later Korea and Taiwan have become world leaders in the production of consumer electronic goods, and did so in less time than it took Pinochet and the Chicago Boys to ruin Chile's economy.

Third, economic planners have to come to realize that you can't sell something to somebody who has no money - so social justice issues *do matter* in a purely economic context, even if, like Milton Friedman, you are unconcerned about the moral issues of social injustices. If all economic productivity is absorbed by a tiny elite through power accumulation created by capital accumulation that is not shared through living wages, there is no purchasing power left in an economy to create markets for the goods produced. Government simply must not allow wealth to become excessively concentrated, however that is accomplished. It can avoid this by using taxation of business profits, inheritance taxes and other such means to prevent the *excessive concentration* of wealth, and use the monies derived for programs to alleviate poverty and social deprivation, and create educational and economic opportunities for the poor. If that sounds like socialism, that is not an accident

- socialism is one means (though not necessarily the best) of attempting to do just that.

Fourth, some exports have to be stimulated by subsidy and some imports restricted by tariffs. Relying on “comparative advantage” simply doesn’t work in the real world. Is the automobile industry located in Detroit because Detroit has a comparative advantage? No. It is there because that’s where Henry Ford happened to be living when he decided to get into the automobile business. Is Boeing located in Seattle because Seattle has a comparative advantage in aircraft production? No. It’s there because that’s where the Boeing family happened to be living at the time Boeing’s founder decided to start the company.

The notion that a nation should stick to doing only that in which it has a “comparative advantage” is also ludicrous when you stop and think about it. Bolivia has a comparative advantage in only one thing - beef production. Does that mean that all Bolivians should want to be *gauchos*? Hardly! Bolivians want to do the whole range of things that other people in other nations do, and the tax, tariff and subsidy structure of the Bolivian government should reflect that. Additionally, nations, like families, have to earn their keep. For a nation, it is foreign exchange - you cannot buy with other countries’ currency when you don’t have that currency to spend. So to control purchases and to stimulate sales to keep current accounts in balance, nations, like families, simply must control imports and encourage exports, whether through tax policy or by adjusting the value of the national currency. There is no other way in the long run. At some point, imports and exports *have to come to a monetary balance*. Since this is already well understood in the academic world, why is it so controversial? Why are these points so vigorously disputed?

Why do the IMF, WTO and World Bank Aggressively Promote Such Defective Dogma?

There is a widespread assumption that the people who run the International Monetary Fund, World Trade Organization and the World Bank are well-meaning, sincere people who really want to make a difference in the world, helping end poverty and deprivation. And for most of the bureaucrats who work in those institutions, that’s true.

This belief is understandable; it is, after all, these institutions that were created specifically for the noble purpose of empowering the poor and disadvantaged. If these people weren’t sincere, and weren’t there to make a difference, they would be quickly replaced, wouldn’t they?

It is certainly a comforting assumption to think that they would be. After all, the stated purpose of these organizations is to solve the problems of world poverty, end hunger, disease and want and the wars these problems create. Why

should anyone think that these organizations aren't really sincerely making an effort to solve these problems?

Well, for a start, there's Chile. If these organizations had made any effort at all to study these doctrines have had in Chile, they'd quickly realize that these doctrines simply don't work as advertised. And it's not just Chile, either. These doctrines have had a dramatic effect in Mexico, where the institution of these policies have caused real wages to decline from \$1.32 per hour on average in the in 1970's to only 45 cents per hour today, after the imposition of NAFTA. And they're still declining. The real output of Mexican industry has declined several percent since the North American Free Trade Agreement was signed. And it is still going down.

Beyond Mexico, the destruction of other economies, particularly Argentina, also stand out as dramatic examples of the failures of "neoliberal" policies. Argentina once had an economic output that was equivalent to most nations in Europe. But no more. More than half of its population now lives in abject poverty, the unemployment rate exceeds 30%, real wages are dropping dramatically and economic activity is shriveling at the rate of 25% per year. Why? Because the very same prescriptions imposed on Chile have been imposed by the IMF and World Bank on Argentina, which followed them willingly and to the letter.

Who killed the Argentine economy? The IMF did. And what is truly shocking is that *it knew exactly what it was doing*. It was part of a deliberate, calculated plan. That's a shocking allegation that I wouldn't believe myself if there weren't proof of it.

Greg Palast, an investigative reporter for the BBC and the Guardian, a British daily of considerable reputation, has obtained documents that are truly a smoking gun. One is a "technical memorandum of understanding" dated September 5, 2000, signed by Pedro Pou, the president of the Central Bank of Argentina. In it, he agreed to largely the same conditions that killed the Chilean economy:

- A twenty percent reduction in the budget deficit, at a time when the economy was poised on the brink of a recession - not a very bright thing to do, when all economists agree that under recessionary pressure, budget deficits should actually be increased, not reduced, even if that means temporary spending deficits.

- Under a boldface heading, titled "improving the conditions of the poor," Argentina agreed to drop salaries in the emergency employment program by 20%. How reducing salaries benefits the recipients remains unexplained.

- A 12-15% reduction in the salaries of civil servants. With less money to spend, of course they spent less. Not a happy thing to have happen during a period of economic contraction and tight money supplies.

- A currency peg of \$1 to each Argentine Peso, in spite of the fact that there was downward pressure on the Peso. Pegging a currency when there's downward pressure on it is a guaranteed formula for a reduction in economic activity - imported goods become cheaper, so locally produced goods competing with them become less competitive - and the people who were producing them get laid off during a time of lowering economic activity. Not a wise plan.

To finance this scheme, Argentina agreed to borrow the \$128 billion in foreign exchange to support the peg scheme at an interest rate of 16%. The interest, at 16%, therefore comes to \$27 billion per year, a billion more than the \$26 billion in the loans for which these concessions were extracted!

How do the Argentine people benefit by taking out this loan? They don't! As you can see, they actually lose money! Why, then, did the IMF even propose such an absurd scheme? And why on earth would Argentina agree to it? It all makes sense when you start to look at the principals involved, who they are, and how they benefit.

Who benefits by all this and how did they get Argentina to sign such a ridiculous loan document? One must understand who the IMF is and what its agenda is. The International Monetary Fund was one of the three institutions set up in the Bretton Woods Conference at the end of World War II. It was created at the insistence of the great economist, John Maynard Keynes, who insisted that it was necessary to help smaller nations overcome the limitations imposed by their economic size, and help them avoid the misery of economic declines, such as the Great Depression, which was fresh in the memories of conference participants. Large nations like the United States could avoid such declines by careful monetary and fiscal policy, but this option simply was not open to smaller nations. So the U.S., in concert with other nations, created this fund to help smaller, poorer nations work around the limitations imposed by their size.

Until Milton Friedman's "neoliberal" crowd arrived on the scene, it largely behaved that way. But the advent of "neoliberalism" created an opportunity for the kingpins of international finance to use the IMF as basically an extortion and bill-collecting mechanism. The imposition of Friedman's long-discredited policies, in spite of their horrible social costs, made it possible for the international megabanks to use the IMF to collect outstanding loans. Seizing that opportunity, they used their influence to make sure that their people were installed in positions of influence in the IMF. The result has been that the IMF has been hijacked, and has become essentially a means by which international finance force borrowing at userous interest rates, and then collect their loans, no matter how much misery this causes.

It doesn't end there. Others, seeing an opportunity to use the IMF to create and exploit bankruptcy on a vast scale, have also moved in like greedy vultures,

using the bankruptcies created by IMF policies as an opportunity to purchase national assets at bargain-basement prices. A classic case is the privatization of water utilities. Using the rubric of “privatization”, this means that the poor often find themselves paying vastly more for water, prices they often cannot afford. So the newly-privatized water utility, no longer willing to subsidize water supply to the poor, cuts off the water, and the poor end up carrying water long distances, often from contaminated sources. The result is lowered economic performance (spending time carrying water and recovering from water-borne illness), more disease and the higher social costs to society that result from that disease and child mortality. Even if one does not consider the inhumanity of depriving people of clean, subsidized water, the raw economic costs end up higher, by far, than the presumed “efficiency” gained by private operation of the water utility. When these utilities are privatized, they are usually sold to large foreign multinationals who expatriate the profits - and those expatriated profits become a foreign exchange liability against the country (raising the cost of imports and discouraging other foreign investment), instead of being reinvested or offsetting taxes at home. The hard, basic fact is that economic decisions don’t occur in a social vacuum. But “neoliberalism” fails utterly to consider that to be a problem.

This subversion of the goals of the IMF and its hijacking by the “neoliberals” has meant that this only source of credit to many nations has made those nations vulnerable to blackmail. All nations require credit, not just to finance infrastructure projects, but to finance imports as well. This was one of the goals of the IMF - to facilitate that credit. But when a nation finds itself spending more abroad in finance costs than it takes in in export sales, as many third world nations do, it must seek help in financing the debt that creates. That vulnerability means that nations often have to do what the IMF wants, even if it is extortionary. So the people of the third world lose, and the international bankers and multinational capitalists win. Once again! Further proof, if any was needed, that those who have the gold make the rules. And they make the rules to suit themselves - and the rest of us be damned!

In fact, neoliberalism failed to accomplish the “expanded reproduction” of the system through greater investment in plant and machinery, but instead concentrated wealth through what may be called “accumulation through dispossession,” a concept modeled on Karl Marx’s description of capitalism’s “primitive (initial) accumulation of capital” —a process that historically involved heartlessly throwing European peasants off the land, enslaving Africans, and looting the Americas.

Neoliberalism has brought out the worst in man

We tend to perceive our identities as stable and largely separate from outside forces. But over decades of research and therapeutic practice, I have become convinced that economic change is having a profound effect not only on our values but also on our personalities. Decades of neoliberalism, free-market forces and privatization have taken their toll, as relentless pressure to achieve has become normative. If you're reading this sceptically, I put this simple statement to you: meritocratic neoliberalism favors certain personality traits and penalizes others. There are certain ideal characteristics needed to make a career today. The first is articulateness, the aim being to win over as many people as possible. Contact can be superficial, but since this applies to most human interaction nowadays, this won't really be noticed.

It's important to be able to talk up your own capacities as much as you can – you know a lot of people, you've got plenty of experience under your belt and you recently completed a major project. Later, people will find out that this was mostly hot air, but the fact that they were initially fooled is down to another personality trait: you can lie convincingly and feel little guilt. That's why you never take responsibility for your own behavior. On top of all this, you are flexible and impulsive, always on the lookout for new stimuli and challenges. In practice, this leads to risky behavior, but never mind, it won't be you who has to pick up the pieces. The source of inspiration for this list? The psychopathy checklist by Robert Hare, the best-known specialist on psychopathy today.

This description is, of course, a caricature taken to extremes. Nevertheless, the financial crisis illustrated at a macro-social level for example, in the conflicts between Eurozone countries, what a neoliberal meritocracy does to people. Solidarity becomes an expensive luxury and makes way for temporary alliances, the main preoccupation always being to extract more profit from the situation than your competition. Social ties with colleagues weaken, as does emotional commitment to the enterprise or organization.

Bullying used to be confined to schools; now it is a common feature of the workplace. This is a typical symptom of the impotent venting their frustration on the weak – in psychology it's known as displaced aggression. There is a buried sense of fear, ranging from performance anxiety to a broader social fear of the threatening other.

Constant evaluations at work cause a decline in autonomy and a growing dependence on external, often shifting, norms. This results in what the sociologist Richard Sennett has aptly described as the "infantilization of the workers." Adults display childish outbursts of temper and are jealous about trivialities ("She got a new office chair and I didn't"), tell white lies, resort to deceit, delight in the downfall of others and cherish petty feelings of revenge.

This is the consequence of a system that prevents people from thinking independently and that fails to treat employees as adults.

More important, though, is the serious damage to people's self-respect. Self-respect largely depends on the recognition that we receive from the other, as thinkers from Hegel to Lacan have shown. Sennett comes to a similar conclusion when he sees the main question for employees these days as being "Who needs me?" For a growing group of people, the answer is: no one.

Our society constantly proclaims that anyone can make it if they just try hard enough, all the while reinforcing privilege and putting increasing pressure on its overstretched and exhausted citizens. An increasing number of people fail, feeling humiliated, guilty and ashamed. We are forever told that we are freer to choose the course of our lives than ever before, but the freedom to choose outside the success narrative is limited. Furthermore, those who fail are deemed to be losers or scroungers, taking advantage of our social security system.

A neoliberal meritocracy would have us believe that success depends on individual effort and talents, meaning responsibility lies entirely with the individual and authorities should give people as much freedom as possible to achieve this goal. For those who believe in the fairytale of unrestricted choice, self-government and self-management are the pre-eminent political messages, especially if they appear to promise freedom. Along with the idea of the perfectible individual, the freedom we perceive ourselves as having in the west is the greatest untruth of this day and age.

The sociologist Zygmunt Bauman neatly summarized the paradox of our era as: "Never have we been so free. Never have we felt so powerless." We are indeed freer than before, in the sense that we can criticize religion, take advantage of the new laissez-faire attitude to sex and support any political movement we like. We can do all these things because they no longer have any significance – freedom of this kind is prompted by indifference. Yet, on the other hand, our daily lives have become a constant battle against a bureaucracy that would make Kafka weak at the knees. There are regulations about everything, from the salt content of bread to urban poultry-keeping.

Our presumed freedom is tied to one central condition: we must be successful, that is, "make" something of ourselves. You don't need to look far for examples. A highly skilled individual who puts parenting before their career comes in for criticism. A person with a good job who turns down a promotion to invest more time in other things is seen as crazy, unless those other things ensure success. A young woman who wants to become a primary school teacher is told by her parents that she should start off by getting a master's degree in economics – a primary school teacher, whatever can she be thinking of?

There are constant laments about the so-called loss of norms and values in our culture. Yet our norms and values make up an integral and essential part of

our identity. So they cannot be lost, only changed. And that is precisely what has happened: a changed economy reflects changed ethics and brings about changed identity. The current economic system is bringing out the worst in mankind.

The Impunity of Neoliberal Imperialism

1. Contemporary capitalism is a capitalism of generalized monopolies. By this I mean that monopolies are now no longer islands (albeit important) in a sea of other still relatively autonomous companies, but are an integrated system. Therefore, these monopolies now tightly control all the systems of production. Small and medium enterprises, and even the large corporations that are not strictly speaking oligopolies are locked in a network of control put in place by the monopolies. Their degree of autonomy has shrunk to the point that they are nothing more than subcontractors of the monopolies.

This system of generalized monopolies is the product of a new phase of centralization of capital in the countries of the Triad (the United States, Western and Central Europe, and Japan) that took place during the 1980s and 1990s. The generalized monopolies now dominate the world economy. ‘Globalization’ is the name they have given to the set of demands by which they exert their control over the productive systems of the periphery of global capitalism (the world beyond the partners of the triad). It is nothing other than a new stage of imperialism.

2. The capitalism of generalized and globalized monopolies is a system that guarantees these monopolies a monopoly rent levied on the mass of surplus value (transformed into profits) that capital extracts from the exploitation of labour. To the extent that these monopolies are operating in the peripheries of the global system, monopoly rent is imperialist rent. The process of capital accumulation—that defines capitalism in all its successive historical forms—is therefore driven by the maximization of monopoly/imperialist rent seeking.

This shift in the centre of gravity of the accumulation of capital is the source of the continuous concentration of income and wealth to the benefit of the monopolies, largely monopolized by the oligarchies (‘plutocracies’) that govern oligopolistic groups at the expense of the remuneration of labour and even the remuneration of non-monopolistic capital.

3. This imbalance in continued growth is itself, in turn, the source of the financialization of the economic system. By this I mean that a growing portion of the surplus cannot be invested in the expansion and deepening of systems of production and therefore the ‘financial investment’ of this excessive surplus becomes the only option for continued accumulation under the control of the

monopolies. The implementation of specific systems by capital permits the financialization to operate in different ways:

1. the subjugation of the management of firms to the principle of ‘shareholder value’
2. the substitution of pension systems funded by capitalization (Pension Funds) by systems of pension distribution
3. the adoption of the principle of ‘flexible exchange rates’
4. the abandonment of the principle of central banks determining the interest rate – the price of ‘liquidity’—and the transfer of this responsibility to the ‘market.’

Financialization has transferred the major responsibility for control of the reproduction of the system of accumulation to some 30 giant banks of the triad. What are euphemistically called ‘markets’ are nothing other than the places where the strategies of these actors who dominate the economic scene are deployed.

In turn this financialization, which is responsible for the growth of inequality in income distribution (and fortunes), generates the growing surplus on which it feeds. The ‘financial investments’ (or rather the investments in financial speculation) continue to grow at dizzying speeds, not commensurate with growth in GDP (which is therefore becoming largely fictitious) or with investment in real production.

The explosive growth of financial investment requires—and fuels—among other things debt in all its forms, especially sovereign debt. When the governments in power claim to be pursuing the goal of ‘debt reduction,’ they are deliberately lying. For the strategy of financialized monopolies requires the growth in debt (which they seek, rather than combat) as a way to absorb the surplus profit of monopolies. The austerity policies imposed ‘to reduce debt’ have indeed resulted (as intended) in increasing its volume.

4. It is this system—commonly called ‘neoliberal,’ the system of generalized monopoly capitalism, ‘globalized’ (imperialist) and financialized (of necessity for its own reproduction) – that is imploding before our eyes. This system, apparently unable to overcome its growing internal contradictions, is doomed to continue its wild ride.

The ‘crisis’ of the system is due to its own ‘success.’ Indeed so far the strategy deployed by monopolies has always produced the desired results: ‘austerity’ plans and the so-called social (in fact anti-social) downsizing plans that are still being imposed, in spite of resistance and struggles. To this day the initiative remains in the hands of the monopolies (‘the markets’) and their political servants (the governments that submit to the demands of the so-called ‘market’).

5. Under these conditions monopoly capital has openly declared war on workers and peoples. This declaration is formulated in the sentence ‘liberalism is not negotiable.’ Monopoly capital will definitely continue its wild ride and not slow down. The criticism of ‘regulation’ that I make below is grounded in this fact.

We are not living in a historical moment in which the search for a ‘social compromise’ is a possible option. There have been such moments in the past, such as the post-war social compromise between capital and labour specific to the social democratic state in the West, the actually existing socialism in the East, and the popular national projects of the South. But our present historical moment is not the same. So the conflict is between monopoly capital and workers and people who are invited to an unconditional surrender. Defensive strategies of resistance under these conditions are ineffective and bound to be eventually defeated. In the face of war declared by monopoly capital, workers and peoples must develop strategies that allow them to take the offensive.

The period of social war is necessarily accompanied by the proliferation of international political conflicts and military interventions of the imperialist powers of the triad. The strategy of ‘military control of the planet’ by the armed forces of the United States and its subordinate NATO allies is ultimately the only means by which the imperialist monopolies of the triad can expect to continue their domination over the peoples, nations and the states of the South.

Monopolies Declare War

Faced with this challenge of the war declared by the monopolies, what alternatives are being proposed? First response: ‘market regulation’ (financial and otherwise). These are initiatives that monopolies and governments claim they are pursuing. In fact it is only empty rhetoric, designed to mislead public opinion. These initiatives cannot stop the mad rush for financial return that is the result of the logic of accumulation controlled by monopolies. They are therefore a false alternative.

Second response: a return to the post-war models. These responses feed a triple nostalgia: (i) the rebuilding of a true ‘social democracy’ in the West, (ii) the resurrection of ‘socialisms’ founded on the principles that governed those of the 20th century, (iii) the return to formulas of popular nationalism in the peripheries of the South. These nostalgias imagine it is possible to ‘roll back’ monopoly capitalism, forcing it to regress to what it was in 1945. But history never allows such returns to the past. Capitalism must be confronted as it is today, not as what we would have wished it to be by imagining the blocking of its evolution. However, these longings continue to haunt large segments of the left throughout the world.

Third response: the search for a ‘humanist’ consensus. I define this pious wish in the following way: the illusion that a consensus among fundamentally conflicting interests would be possible. Naïve ecology movements, among others, share this illusion.

Fourth response: the illusions of the past. These illusions invoke ‘specificity’ and ‘right to difference’ without bothering to understand their scope and meaning. The past has already answered the questions for the future. These ‘culturalisms’ can take many para-religious or ethnic forms. Theocracies and ethnocracies become convenient substitutes for the democratic social struggles that have been evacuated from their agenda.

Fifth response: priority of ‘personal freedom.’ The range of responses based on this priority, considered the exclusive ‘supreme value,’ includes in its ranks the diehards of ‘representative electoral democracy,’ which they equate with democracy itself. The formula separates the democratization of societies from social progress, and even tolerates a *de facto* association with social regression in order not to risk discrediting democracy, now reduced to the status of a tragic farce.

But there are even more dangerous forms of this position. I am referring here to some common ‘post-modernist’ currents (such as Toni Negri in particular) who imagine that the individual has already become the subject of history, as if communism, which will allow the individual to be emancipated from alienation and actually become the subject of history, were already here!

It is clear that all of the responses above, including those of the right (such as the ‘regulations’ that do not affect private property monopolies) still find powerful echoes among a majority of the people on the left.

6. The war declared by the generalized monopoly capitalism of contemporary imperialism has nothing to fear from the false alternatives that I have just outlined.

So what is to be done?

This moment offers us the historic opportunity to go much further; it demands as the only effective response a bold and audacious radicalization in the formulation of alternatives capable of moving workers and peoples to take the offensive to defeat their adversary’s strategy of war. These formulations, based on the analysis of actually existing contemporary capitalism, must directly confront the future that is to be built, and turn their back on the nostalgia for the past and illusions of identity or consensus.

The Hard Realities of Neoliberal Oppression

In 1937 George Orwell said that coal mining was the ‘metabolism’ of Western civilization. What he meant by this striking metaphor was that coal was

the catalyst for an earlier industrial revolution, just as enzymes act as the life-sustaining catalyst within the cells of living organisms to maintain life. If Orwell were alive today however he would have good cause to reformulate his perceptive observation. For modern mining-the extraction of oil, gas and rich minerals, including, again, coal-is now the alchemic catalyst driving the metabolism of 21st century economic globalisation. Unfortunately however the consequences and effects of modern mining take on a very grim symbolism in relation to the chemical metaphor referenced above. For rather than sustaining life on the planet, instead, much of 21st century resource extraction now acts as the catalyst in obliterating unique and diverse life systems- in particular, traditional peoples and societies- by harmful extractive processes and practices, and the cumulative social, environmental and cultural impact of those processes.

As a result, and this is where the symbolism becomes really grim, the incredibly rich biocultural diversity integral to indigenous peoples' cultures is now under threat from exploitative commercial extraction as never before. The symbiotic relationship between culture, ecology and biology in indigenous societies, cultivated by thousands of years of iterative ecological knowledge, collective resilience, and complex adaptive strategies to diverse environments, is now disappearing at an accelerating rate. This cataclysmic loss, if we are not careful, could even become irreversible.

A growing global demand for natural resources is fuelling large-scale resource development. Since the advent of the current round of economic globalisation, in the last quarter of a century, there has been a full-scale pursuit by mining companies for increasingly scarce fossil fuels and mineral resources. This pursuit has lead the extractive industry into ever more vulnerable and remote regions of the planet, where indigenous groups predominately live. Fast growing global demand for natural resource commodities along with years of historically high prices particularly in the 2000s has generated scores of mega extractive projects. Many of these extractive projects are built near or on the lands of indigenous peoples- see here for example.

Mega mining-projects are highly capital intensive, the cost of extraction is huge and it can take many years to yield significant returns on investment. And returns on investments are highly uncertain as the price of oil is inherently unstable. But when energy projects do become commercially operational, the payoff in profits is huge. A lot therefore is riding on their success. But moreover, failure entails huge loss not of only immediate profits but also of future market share for extractive firms. Consequently, in a highly competitive market, commercial failure impacts on not only corporate status but also, increasingly, on national and geopolitical status.

For governments the stakes are also high, even higher in fact. Revenue from the extractive sector contributes significantly to GDP in developing countries.

Extractive revenues can be used to fund social programmes for education and poverty alleviation, Brazil and Venezuela being cases in point. But unfortunately, more often than not, they also fund corruption, conflict and in the case of indigenous peoples, a slow ‘cultural genocide’. And, just as culture and biology form a symbiotic relationship in indigenous societies, that relationship is mirrored, darkly, by an opaque parallel relationship between resource rich governments and profit-hungry extractive firms. That relationship is one which has been frequently characterised by corruption, intimidation and violence, and in some of the worst excesses, murder of activists.

Just recently, in a not untypical illustration of this Faustian relationship, a group of Indonesian villagers were permitted by a Washington judge under the Alien Tort Claims Act to further their claims of serious human rights abuses against high ranking members of Exxon Mobil Corporation. The villagers allege that top figures in the oil and gas company may have known that local military forces in Aceh province tortured, raped and killed villagers. The company hired military and paramilitary forces to protect its profitable asset, knowing well that the Indonesian military/state apparatus has a horrendous human rights record, dating back to at least the 1960s as Joshua Oppenheimer’s extraordinary documentaries-the Act of Killing and The Look of Silence attests to. Whether or not the plaintiff’s case proceeds through the American judicial system remain to be seen though. In 2010, a similar human rights claim, brought by Nigerian citizens, against Royal Dutch Petroleum for corporate liability for similar crimes, was ruled against in a judgment by the US Supreme Court. The ruling was a significant blow against corporate culpability for crimes committed in their names abroad, particularly the culpability of the extractive sector-the climate of impunity across the globe from legal sanction has continued ever since.

The New Enclosure Movement

The ‘upstream’ phase of extractive production-the initial stage of exploration, drilling and extracting raw materials-is where much of capital investment is concentrated. Huge amounts of capital is needed for the purchasing and exploration of hydrocarbon reserves, oil platforms, drilling equipment, and the installation of pipes. In 2013, the big five publicly traded companies-Sinopec, Royal Dutch Shell, Exxon Mobil, BP and PetroChina-all in the top twenty largest public companies in the world and with a combined revenue of almost \$2.15 trillion, spent hundreds of billions on upstream projects. The Mega- extractive project cycle on average costs between \$3 billion and \$15 billion, and can take anything up to 10 years, or more, to complete.

In other words, and at the risk of merely stating an elementary truism: transforming raw commodities into shareholder value and government revenue is big business-very, very big business.

Many governments in the global South, and increasingly in the North, are turning to private sector investment in mining as a way to develop unexploited regions which are rich in natural resources; regional ecosystems that are also often rich in cultural and bio-diversity. These regions are usually geographically isolated and culturally unique: tropical rain forests in the Amazon region, open prairie lands in Alberta, Canada and expansive rangelands in Tibet for instance. It is in these areas where much sought after sub-surface fossil fuels and rich minerals are now ever more concentrated.

As global demand for finite and non-renewable mineral and hydrocarbon resources has increased, so too, has there been a direct inverse effect: the communal lands of indigenous groups have become highly prized as commercially profitable commodities. Unsurprisingly, in this unequal relationship between international extractive firms and traditional societies the power dynamic lies decisively with the extractive corporations. Consequently, communal lands are being expropriated, “enclosed” and mined for commercial profit. Thus indigenous and nomadic communal cultures, rich in spiritual and temporal wealth and knowledge, are being slowly decimated.

The initial process of procuring access to natural resources, although often protracted and opaque in how it is achieved is straightforward. Extractive companies secure exploration licences, concessions, titles and leases from central governments in far off capital cities, frequently illicitly. A licence or a title has been the preferred method as it entails unilateral permission from governments to the extractive industry to exploit resources, a scenario which has been much more beneficial to companies than to governments. Although contracts between both actors, involving a mutually binding set of agreements among the contracting parties, is preferred by governments.

From then on, in the initial upstream phase of production, the crucial phase in the extraction cycle of oil, gas and valuable minerals, the brute economic imperative is clear for governments and industry: the process must proceed with as little interference from anything which might slow production. Again at the risk of stating an obvious truism; time wasted, is profit lost.

Moreover, central governments are often literally and metaphorically hundreds and sometimes thousands of miles away from culturally distinct indigenous groups and the regions in which they live. The problem of literal and metaphorical distance is also compounded by mutual distrust. The central state, controlled often by national elites with a vested interest in the extractive process (powerful families, corrupt politicians, and military commanders), is not only

distant it is also largely absent, and usually antagonistic to indigenous resistance to resource extraction, for the above reasons.

There are enormous amounts of money to be made by excavating fossilised carbon, and there are enormous amounts to be lost worrying about such nebulous concepts such indigenous livelihoods and cultural integrity, ancient mountains and forests regarded as sacred, and the collective rights of traditional peoples to have a say on whether their territories are to be exploited. The calculation by governments and the extractive industries is clear: at best pay lip service to the idea of human rights, at worst, send in the men with guns to quieten and quell the restless natives. It is a calculated formula that Joseph Conrad understood well over a hundred years ago in in the *Heart of Darkness*, his excoriation of European imperialism and the scramble for ivory in the Belgian Congo. The book's main protagonist, the narrator Marlow, in discussing the brute force of the conquerors, and their addiction to profit and economic efficiency, makes it clear what the true motives of the colonists were:

"They grabbed what they could get for the sake of what was to be got. It was just robbery with violence... The conquest of the earth, which mostly means the taking it away from those who have a different complexion or slightly flatter noses than ourselves, is not a pretty thing when you look into it too much."

Resource nightmare

It is not a resource curse which these communities face but rather it is a resource nightmare, a more accurate description, and one which better captures the multiplicity of social and cultural consequences and effects which befall indigenous communities in the wake of resource development. The extraction of resources does not just leave an ugly physical imprint, the scarred landscapes of indigenous and nomadic lands are also mirrored by an equally negative cultural and social imprint-endemic poverty, low level conflict and ecological collapse, amongst other serious effects.

Indigenous societies are often radicalized by governments with reductive mischaracterizations such as 'backward', 'primitive' and 'uncivilized'. They are deemed to be literally and metaphorically in the way of development-and to obstruct development, at least in the official ideological development narrative so beloved by the IMFs, World Banks and neoliberal governments of this world, is to impede progress. Subsequently, it is a short step to consider them as superfluous, and if they are superfluous-cultural, socially and in every other conceivable way- it is even a shorter step to discard and, ultimately, destroy them.

Arundhati Roy has written of this phenomenon movingly and with great conviction in her 1999 essay the *Greater Common Good*. In one particularly memorable phrase she evocatively talks of indigenous peoples in India (scheduled tribes) being “sacrificed...at the altar of national progress”, carelessly dispossessed and displaced by dams, highways, and of course, by energy companies. The Indian state, a fully paid up member of the neoliberal juggernaut, in its march to modernity absolves itself of responsibility (unless it is forced to act by global and domestic civil society) to its thoroughly marginalized indigenous citizens by the neat ideological trick of conflating industrial development as progress for the common good.

At best indigenous peoples will be perhaps low-cost labor; at worst, the human flotsam, jetsam, and derelict of contemporary economic globalization. The above shipwreck metaphor is especially apt, particularly derelict. Derelict is the cargo which fell to the bottom of the ocean, away from any possibility or hope of reclamation-in maritime law not worth saving. Due to their rapacious pursuit into Indigenous land, the extractive sector-the engine of contemporary economic globalization- deems indigenous peoples and their cultures to be expendable, the inexorable commercial logic of neoliberal globalization demands it so. This may be an overly pessimistic prognosis. For all our sakes, let's hope it is not.

Revisiting Global Political Economy

For a quarter of a century, it has been conventional wisdom among policy makers, academics, and journalists that the neo-liberal policies that have governed the global economy are a great success. We have been assured that the costs of global deregulation of capital, labor and commodity markets—including the dislocation of workers and communities—are “transitional” and more than compensated by the benefits in overall economic growth, rising standards of living and a narrowing of the income gap between rich and poor. Indeed, poor nations have been told that their only hope for prosperity lies in opening all national markets and pursuing an export-led growth strategy.

Yet there is no convincing proof that the so-called “Washington Consensus” has delivered on its promises. Most of the claims are based on anecdotal evidence and typically count just the benefits and ignore the costs. More systematic efforts to find a positive net impact by comparing economic performances of countries according to some crude assumptions of “openness” have met with skepticism from honest professionals (Rodriguez and Rodrik 2000).

On the other hand, there is a strong *prima facie* case that the net impact of neo-liberalism has been negative. For example, in a study for the United

Nations, British economist John Eatwell (1996) pointed out that financial liberalization of the 1970s was supposed to:

- move savings from developed to developing companies
- lower the costs of borrowing
- increase economic growth

Instead, by 1992:

- savings flowed from developing to developed countries
- interest rates generally rose
- economic growth slowed down

Since Eatwell's study, we have experienced the Mexican peso collapse, the East Asia financial crisis and, now a worldwide recession, all of which have diminished performance of the neo-liberal regime even further. One recent study compared the rate of growth in real GDP from 1960-1980, with the growth from 1980 to 2000 for 116 countries divided into quintiles according to per capita income. It found that the growth rate fell for every quintile from the earlier to the later period. Among the poorest countries in the lowest quintile, the 1980-2000 growth rates turned negative (Weisbrot et al. 2001). Ironically, those nations that have grown the fastest over this period, were those that most resisted the advice of the "Washington Consensus."

Inequality has also gotten worse. As Christian Weller, Robert Scott, and Adam Hersh (2001) have shown, the median income of the richest ten countries was 77 times that of the poorest ten countries in 1980, and 149 times in 1999. The incomes of the richest 10% of the world's people were 70 times that of the poorest 10% in 1980, and 122 times in 1999. Within nations, inequality also seems to have worsened. Certainly in the countries where the data are most reliable, the trend is clearly toward more inequality (Faux and Mishel, 2000). Even World Bank president James Wolfensohn in 1999 was moved to admit, "At the level of people, the system isn't working."

Inadequate Global Institutions

The history of successful national economies tells us that markets need to be regulated by political institutions in order to work effectively. Government regulation is necessary to enforce contracts, assure transparency, and protect citizens from the brutalities of the unrestrained market. Central banking and discretionary fiscal policy are essential to maintain macroeconomic growth and stability. But today, the leadership of the world's advanced nations, driven by multinational financial interests and rationalized by an extremist "free market fundamentalism," are attempting to create a global marketplace without the political institutions needed to make it work.

The International Monetary Fund (IMF), for example, is not a central bank for nurturing global growth and stability. It is rather a lender with an ideological agenda, conditioning its loans to troubled nations with austerity and anti-labor policies aimed at giving priority to debt repayment through exports rather than domestic growth. Although it demands that individual client nations open their financial markets to competition, the IMF itself is the center of a credit cartel; it has agreements with other financiers to assure that projects it does not like will be blacklisted from receiving assistance from the World Bank and other international lending institutions, as well as governments and large private lenders. Like all cartels, the IMF uses its oligopolistic power to pursue political objectives. It therefore has a decided bias toward countries whose leaders are in sync with the bank's major supporters. A former chief economist of the IMF has openly acknowledged that the staff of the IMF make no important decision without checking with the U.S. Treasury.

Moreover, the staff is inadequate for its task. Stanley Fischer (1997), then first deputy managing director of the IMF, told the *New York Times* in December 1997 that his agency – despite its army of a thousand economists – did not have the capacity to monitor the global banking system effectively: “The amount of detailed knowledge it takes to understand a system is beyond the capacity of a single multinational organization to deal with.” The assumption that the G-3, the G-7, or the G-8 can somehow provide overall management for the global economy is likewise misplaced. The leadership of these advanced countries have even less capacity to plan for global stability than does the IMF or World Bank. Thus, despite the expressed concern of the world's great economic powers after the Asia crisis of the 1997 that a new financial “architecture” was needed, very little reform has taken place.

In reality, the global financial system is governed by ad hoc crisis management, characterized by late-night phone calls from U.S. Treasury officials to the world's financial tycoons, IMF officials flying to Third World capitals in disguise, and Wall Street lectures to recalcitrant politicians in developing nations. The crisis-management style has one big advantage for those who attempt to manage the global economy. It avoids the politically difficult questions of accountability and sovereignty. When the world faces a crisis, issues of fairness, economic sustainability, and democracy are brushed aside as secondary to the emergency task at hand: restoring investor confidence. When the crisis is over, the global policymakers turn to other issues, and the opportunity for serious public debate is lost, until the next crisis, which must be managed again at still higher levels of risk.

In the absence of institutions that can maintain and stabilize global demand, the deliberate encouragement of export-led development strategies places the fate of the global economy on the willingness and ability of the large advanced

economies, Japan, the European Community and the United States, to provide the markets and capital investment needed to accelerate growth in the rest of the world. With the Japanese economy currently mired in its crisis of finance and consumer confidence, it is an unlikely source of economic stimulus.

Indeed, it well may be that in order to solve its problems; Japan will have to go through a financial restructuring that in the near term will further reduce its domestic growth. Europe is in better shape. It has idle capacity and its capital account is in balance. But the Euro zone is constrained by a macroeconomic conservatism that is built into the Maastricht Treaty and other political arrangements and will be hard to dislodge in the near term. Moreover, for now, Europe's economic policies will focus on easing its eastward expansion. This leaves the task to the United States, which during the 1990s, particularly the last half, has provided much of the stimulus for world demand.

Prospects for the U.S. Economy

The U.S. economy appears to be at the end of a mild recession. The recession was in large part a natural outcome of the ten-year economic expansion that ended in March of 2001. During its first five years, this expansion was at best ordinary. After having fallen in 1991, the GDP rose at an average of a little above 3% annually through 1996, about the same as the previous two expansions and considerably less than earlier upturns. What made this recovery different was its "second wind," averaging 4% for the first quarter 1996 to 2001.

The most important contributor to this second wind was what did not happen: an inflation shock that would have induced the Federal Reserve Board to raise interest rates. The absence of inflation in the 1990s should not have been such a surprise. In modern times, all significant bouts of inflation have been generated by a war or exogenous oil price shocks, not by a peacetime economy that expanded beyond its sustainable limits. The last price flare-up was generated by a short-lived panic in oil markets when the 1990 Gulf War was launched. Global oil prices also sparked the inflation of the 1970s. The previous price run-up was kicked off in the late 1960s by then President Lyndon Johnson's refusal to raise taxes to pay for the Vietnam War.

The inflation spell before that was ignited by the Korean War, the one before that by the lifting of price controls after World War II, and the one before that, by the impact of World War I (Faux 2001). The absence of price inflation in the 1990s allowed the Federal Reserve to accommodate economic growth. But the prospect of continued growth and the availability of cheaper credit fueled an inflation in financial asset values, causing the U.S. stock market to rise over 350% between October 1990 and January 2001 (Council of Economic Advisers 2002). Despite the obvious speculative excess, the Federal Reserve

declined to use its ability to impose credit restrictions targeted at the stock market. Instead it waited until 1999, when it tightened credit in the entire economy and helped precipitate a recession.

Once the recession began the Federal Reserve quickly reversed itself and lowered interest rates 11 times, driving short-term rates down from 6.5% in June 2000 to 1.8% by December 2001. Long-term rates fell as well, but much less. Moreover, the Bush Administration, despite its conservative rhetoric, was quick to apply a Keynesian fiscal stimulus in the form of a tax rebate. The result was that consumer spending, after a temporary drop in the wake of the September 11 attacks, was maintained. By early 2002 it appeared that a slow recovery was beginning. No one can predict the future. Nevertheless, current conditions allow some educated guesses about the capacity of the U.S. economy to act as the locomotive for the revival of rapid global economic growth.

In the short term (one year), we can expect the U.S. unemployment rate – which is a lagging economic indicator – to rise, even in the face of a recovery. The unemployment rate in February 2002 was 5.5%, up from a low of 3.9% in October 2000. Based on past history we can expect the rate to rise to somewhere around 6% by the end of the year. The impact of a rising unemployment rate will be felt on consumer incomes, particularly for those at the bottom of the wage distribution. The U.S. experience shows that below 5% to 5.5% the labor markets tighten and the benefits of growth begin to be shared by those at the bottom. Thus, the end of the 1990s expansion, earnings for low-wage workers were rising faster than those for high-wage workers.

Similarly, when the unemployment rate rises, real income growth among U.S. workers slowed down, according to the estimated losses among family income quintiles of a rise in the overall unemployment rate from 4% to 6.5%.

In the medium term (2-4 years), even with a recovery, it is not likely that the United States will return to the growth rates that it enjoyed in the late 1990s. First, the impact of the recent stock market decline will dampen a return to what Alan Greenspan called the “irrational exuberance” of those years. Some \$5 trillion in U.S. households’ financial assets evaporated between third quarter 2000 and third quarter 2001. (U.S. Federal Reserve System 2001) and it will take time for the small investors to forget the pain of that loss, and for new money to come into the financial markets. Moreover, the price-earnings ratios in the U.S. stock markets are still above historical averages.

Second, the impact of the Enron and related scandals has yet to run through the economy. Banks, for example, have become more conservative in their lending. And the easy financing through the stock market that U.S. companies enjoyed over the last decade has diminished. Together with the collapse of the “dot.com” sector of the stock market, the Enron scandal is having a negative impact on the confidence of investors, particularly small investors and workers

with defined contribution pension plans. Already it is estimated that U.S. companies will have to come up with cash for about \$30 billion in convertible securities coming due in the next 18 months that they had assumed they would be able to pay for with stock. (Business Week 2002).

We also know now that the profits of a number of large corporations in the technology sector were overstated. For example, Enron's profits between July 2000 and October 2001 were overstated by at least one billion dollars, or 78% of the total profits claimed (Madrack 2002). Estimates are that the profits of all U.S. corporations in the late 1990s were falsely inflated by between 20% and 25%. If so, this suggests that the stock market bubble was even larger than we thought.

Third, overcapacity in a number of technology sectors will continue. Fourth, new cost pressures on U.S. companies will come from rising health care costs. After several years for stability, these costs are now expected to accelerate once again. Fifth, the capacity of American consumers to spend faster than they earn may be reaching its limit relative to disposable income. Both domestic consumption and consumer debt in the U.S. are at their highest levels since the end of World War II. The rising value of residential real estate is now the consumer sector's main support. If the United States were to experience a deflation in housing prices, consumers would be forced to retrench.

Finally, the long-term problems of U.S. manufacturing will persist. There is, of course, a tendency in most advanced countries for manufacturing's share of total employment to shrink because of higher productivity rates in manufacturing relative to the service and commercial sectors. But the weakness in the U.S. manufacturing sector does not reflect a simple secular trend as it is directly connected to the chronic and persistent trade deficit.

Despite the persistent U.S. trade deficit, there is a widespread assumption that the U.S. economy is highly competitive. The heart of this claim is that the relative unregulated state of U.S. markets, especially labor markets, has led to a productivity "miracle." A closer look at the productivity makes this proposition doubtful.

As **Table 4** shows, real GDP per worker has grown faster in the United States than in the Euro zone. But output per worker is not as accurate a measure as output per hour *worked*. When that adjustment is made, the U.S. performance still leads, but by a smaller margin.

Table 4: US Productivity

Productivity (1996-2000)		
	U.S.	Euro zone
GDP/worker	2.5	1.2
GDP/hours worked	2.1	1.6
Net domestic product / hours worked	1.8	1.5
Productivity (1993-2000)		
	U.S.	Euro zone
Net domestic product / hours worked	1.4	1.8

Moreover, as a recent report by Credit Suisse (2001) First Boston points out, international comparisons of Gross Domestic Product are distorted by differences in the way depreciation is measured. Therefore Net Domestic Product, which subtracts capital depreciation from the calculation of GDP, is a better measure of economic progress. When the two economies are compared on that basis, the 1996-2000 performances narrow considerably. When the longer period, 1993-2000, is examined, the Euro zone performance is superior.

It should also be noted that by 1997, at least five European economies (Belgium, Norway, France, West Germany, and the Netherlands) had reached productivity levels that were at or above more of the United States (Mishel, et al 2001). The illusion of faster U.S. productivity growth may have contributed to the willingness of the Federal Reserve to keep monetary policy loose even as the unemployment rate reached and went below “NAIRU” levels.

Although the U.S. and Eurozone economies are different, the U.S. experience may help shed some light on the European debate over “structure versus macroeconomic” roots of high unemployment rates there. The structural claim is that too many workers in Europe are unemployable, i.e., lack the skills and attitudes needed for the “New Economy.” In the early 1990s a similar claim was made about workers in the United States. Yet by pursuing more expansive macroeconomic growth policies, the U.S. economy in the 1990s was able to absorb many people into the labor force that were previously considered unemployable.

In the long term, the U.S. economy is clearly headed for a financial crisis. In 2000, the U.S. current account deficit was a record \$450 billion, 4.5% of GDP. The recession reduced the current account deficit in 2001, but it was still above \$400 billion. When the economy recovers, the deficit will continue its relentless expansion because U.S. consumers and businesses now have an inordinate propensity to import as income rises. According to last year's report of the U.S. Trade Deficit Commission (2000), "For an equal increase in national income in the United States and foreign countries, the United States increases its purchase of imports proportionally more than foreigners increase their exports."

Nobel prize-winning economists Franco Modigliani and Robert Solow (2001) recently characterized the large and growing deficit in the U.S. international trade balance as "the greatest potential danger facing the economy in the years to come."

In order to finance this deficit, the United States has had to borrow from other countries and sell them more of its assets. Thus, each year its economy must devote more of its income to interest on the debt and the transfer of profits to investors in other countries. After 1988, these payments began to exceed foreigners' remittances to the United States.

This net foreign "debt" is now 22% of GDP. Assuming a recovery, the U.S. economy is on a trajectory to a debt burden of roughly 40% of GDP within five years.

The United States is, of course, not Argentina. The dollar is the world's most important reserve currency and America has better credit and more assets to sell. But it is a matter of simple arithmetic that it cannot forever borrow in order to buy more from the rest of the world than it sells. The interest burden will eventually be so heavy that foreign investors will be unwilling or unable to keep financing the rising debt. When that happens, the dollar will drop and interest rates will spike upward. The United States will then be forced to run a trade surplus with a drastic devaluation of the dollar and/or a draconian deflation in real incomes in order to reduce demand for imports and make U.S. goods cheap enough to run a surplus in world markets. The costs of balancing trade through deflation would be considerable; according to an earlier calculation, bringing a 2% current account deficit into balance would require a 10% drop in GDP and a jump of 5 full percentage points in the unemployment rate (Godley 1995). At today's deficit share of 4% and more the required contraction is even greater.

Getting to a trade balance will be even more difficult because U.S. manufacturing capacity may well have shrunk below the level needed to eliminate the trade deficit through expanding exports. Given the relentless import competition, investors are reluctant to make long-term capital available to medium-sized and small manufacturing firms – and some large ones as well.

The grim outlook for manufacturing also reduces the incentive for young people to invest in becoming skilled workers.

The low savings rate also contributes to the current account problem but it is now a function of a deficiency in private rather than public savings. This is a much harder problem to solve. In fact, we do not know how to raise the private savings rate. And under current conditions increasing the saving rate would reduce consumer demand, upon which the U.S. economy – and the world – depends. Another imbalance driving the trade deficit is the overvalued dollar, whose price against other major currencies may be as much as 25% too high. By making U.S. exports more expensive and imports cheaper, the high-value dollar has been a major cause of the erosion of U.S. manufacturing capacity.

Whether one believes that the trade imbalance is caused by low savings, a high dollar, slower growth in Japan and Europe or some combination of all of these factors, the fact is that the U.S. government is not attempting to solve any of these problems. Indeed, the Bush Administration is deliberately moving in the opposite direction on all fronts. Its ten-year, \$1.3 trillion tax cut will further reduce the national savings rate, and it has repeatedly declared opposition to any effort to significantly reduce the value of the dollar. Neither does it have a credible industrial strategy; its recent decision to raise tariffs on steel imports will do little to solve the industry's fundamental problems. It has also been unwilling to use its political clout to pressure Europe and Japan into faster growth. The need for allies in the War against Terrorism makes it unlikely that it will make any effort to address this issue in the near future since the military spending continues to rise.

But it is not only US military spending that is rising, even though it dwarfs that of other powers.

There are currently two great belts of political instability. There is that stretching across sub-Saharan Africa. And, more important for the system as a whole (though not for the millions who have suffered from Africa's externally engineered wars), there is the one stretching eastwards from the Mediterranean to the Indus and northwards into Central Asia. We can expect the dynamics of intercapitalist competition to produce more military conflicts and political earthquakes as nationally based multinationals battle for survival in an unstable global economic system.

Slower U.S. growth in the near term and the eventual need to reverse the macroeconomic imbalances will also have a negative effect on Mexico and Canada, who have staked their future growth on exports to the United States. Slower U.S. growth will also compound the problems in Latin America, which is in its second recession since 1998. Indeed, the proposed Free Trade Agreement of the Americas, which would expand The North American Free

Trade Agreement (NAFTA) to the rest of the hemisphere, would make Latin America even more dependent on U.S. markets.

The Politics of Global Governance

The failure of the neo-liberal policy regime and the doubtful capacity of the U.S. economy to act as a sustained engine of growth leaves the current system of global economic governance at a dead-end. Unfortunately, the political structure of that system is at present incapable of creating a new and different path to global prosperity. Markets do not exist in a state of nature. They are social constructs, with defined customs and regulations that are established through political struggle and compromise. The generation and distribution of income, wealth, and power is as much a political as an economic phenomenon. In the famous words of one political scientist, politics is the art of “who gets what” (Lasswell 1936).

Therefore, every market has a politics. The expanding global market system is no exception. Thus, according to a former director-general of the World Trade Organization, the WTO represents the “constitution” of the new global economy. This may be an overstatement. But the policies of the WTO, the IMF, the World Bank, and other global regulators, represent the dominance of the investor class in the politics of the emerging global economy. No one can deny the existence of a global investor class. Electronic technologies and modern transportation and communications system allow for extremely effective business and financial networking. Increasingly, the top echelons of transnational business are managed by multinational personnel, who have little or no loyalty to the country whose passport they happen to hold.

A global investor class implies a global working class, even though the international organization of workers is far behind that of investors. Therefore we cannot fully judge the impact of globalization without reference to the share of benefits and costs going to capital and labor. The questions of “who wins?” and “who loses?” from particular policies of the global institution cannot be answered on the basis of separate national identities alone because every country has an investor and a working class, i.e., there are rich people in poor countries and poor people in rich countries. In 1996, for example, 22% of the world’s billionaires were from the developing nations.

In most cases, international agreements are negotiated by elites that have more in common with each other than with working people in the countries that they represent. As a retired U.S. State Department official put it to me bluntly a few years ago, “What you don’t understand,” he said, “is that when we negotiate economic agreements with these poorer countries, we are negotiating

with people from the same class. That is, people whose interests are like ours – on the side of capital.”

Accordingly, the fundamental purpose of the neo-liberal policies of the past 20 years has been to discipline labor in order to free capital from having to bargain with workers over the gains from rising productivity. Although labor is obviously better served when it is organized into trade unions to bargain with a unified voice, the bargaining between labor and capital goes on even if workers are unorganized. The bargaining between labor and capital is what makes up the “social contract” that is required in order to legitimize the unequal distribution of income, wealth, and power that a free market generates.

As in any bargaining, both sides are constantly maneuvering for advantage. But labor is typically at a disadvantage because it usually bargains under conditions of excess supply of unemployed workers. Moreover, the forced liberalization of finance and trade provides enormous bargaining leverage to capital, because it can now threaten to leave the economy altogether. Moreover, unregulated globalization in one stroke puts government’s domestic policies decisively on the side of capital. In an economy that is growing based on its domestic market, rising wages help everyone because they increase purchasing power and consumer demand, which is the major driver of economic growth in a modern economy. But in an economy whose growth depends on foreign markets, rising domestic wages are a problem, because they add to the burden of competing internationally. Both the international financial institutions and the WTO have powers to enforce protection of investors’ rights among nations, the former through the denial of financing, the latter through trade sanctions. But the institution charged with protecting workers’ rights, the International Labor Organization (ILO), has no enforcement power.

Until recently, the politics of the global economy has been largely viewed as “international,” i.e., focused on the questions of “which nation gets what,” with the central conflict between countries that are rich and poor, developed and developing, oil haves and oil have-nots, etc. From this perspective, the institutions of international economic governance (e.g., the International Monetary Fund, the World Bank, the World Trade Organization) are presented to the global public as a sort of legislature of different geographic interests; those representing the poor countries from the South argue for redistribution and those representing rich nations from the North argue for fiscal discipline. Geographic conflicts are certainly a primary feature of global politics – as they are of national politics.

But the underlying political conflicts in the global economy are not exclusively among nations. Borderless finance and production, administered by an international managerial class, has crippled the ability of most nation-states to regulate their own markets for social purposes. Increasingly, the people of

any given country cannot rely on their corporations or their banks to promote their interests. The worker in Brazil, the worker in Japan, and the worker in the United States may well have more in common with each other than they have with those that manage and prosper from enterprises that are nominally Brazilian, Japanese, or American.

Although one can find a mass of data on the financial interests of the relatively tiny investor class, the mainstream media carries little systematic information on what is happening to the huge class of the world's workers as a whole. But a look at the trends within countries shows a general deterioration of the position of labor relative to capital in both developing and developed economies.

The Global Policy Network, a new group of non-profit research organizations linked to national trade unions movements has so far posted reports on labor conditions in 27 countries on its web site (www.gpn.org). The countries examined include those among the poorest (e.g. Lesotho, Zambia), the most rapidly developing (e.g. Korea and Ireland) and the most developed (Canada, United States). The exact manifestation of labor's shrinking share of income differs from country to country but there is a common pattern in the concentration of economic growth in the "informal" sector – where workers are unorganized, contingent, and unprotected. That is, where they have little or no bargaining power with capital.

Argentina is, of course, the latest example of this relentless downward pressure on workers' living standards. No other country has embraced the neo-liberal paradigm as much as Argentina. The suicidal tying of the peso to the dollar was for years celebrated as the example of what a developing country had to do in order to gain the confidence of foreign investors. One result has been the nearly doubling of the share of the population in extreme poverty as capital relentlessly squeezed labor's income share. As a report from the Instituto de Estudios y Formacion in Buenos Aires shows, labor productivity among Argentina's 500 largest firms – which dominates Argentina's international trade – rose 50% from 1993 to 1998, while real wages rose only 20%. So where did the benefits of increased efficiency go? Within those firms the share of income going to labor dropped from 35% to 28% in five years, while capital's share rose from 65% to 72% (Lozano 2001). Moreover, much of this capital found its way overseas. Many so-called "foreign" investors are in fact Argentines who have been buying high-interest Argentine bonds with accounts in banks in the United States and Europe.

Another vivid example of how neo-liberalism negatively affects workers at all levels of development is the North American Free Trade Agreement. Like most recent agreements, NAFTA protects investors at the expense of workers and the environment. Seven years after its implementation, the political

protectors of capital in all three countries judge NAFTA a great success, and support the efforts to expand it to all of the Western Hemisphere through the Free Trade Agreement of the Americas.

But as a recent collaborative study by economists in Canada, Mexico, and the United States (Faux et al. 2001) shows from the perspective of the working people in all three countries, NAFTA has been a failure. All three countries saw a decline in real wages, an upward redistribution of income and a dramatic expansion of the informal sector jobs characterized by insecurity, low pay and no bargaining power.

This upward redistribution of income, wealth, and power reflects a fundamental contradiction in the global political economy:

- A global social contract must be enforced by global economic institutions
 - Global economic institutions, in the absence of global democratic government, will be captured by global business interests
 - Global business interests will prevent the brokering and enforcement of a global social contract.

Global Class Politics

The annual meetings in Davos (this year in New York) of the World Economic Forum are in some ways the convention of the global party of capital. We might call it the Investors' Protection Party. Their convention in New York was paid for by the world's largest multinational corporations and was dominated by 1,000 corporate executives, along with 250 government officials, including 20 heads of state. They were accompanied by lawyers, consultants, journalists and academics who did business with each other at the receptions and dinners and in the corner of hotel lobbies, just as in any political convention.

The meeting of the World Social Forum in Porto Alegre, Brazil at the same time was in many ways a convention of a global political party in opposition, which is now searching for a common program with which to oppose the investor's agenda. The difference between these two "parties" is not, as the media would have it, the difference between globalizers and anti-globalizers. Globalization – in the sense of people exchanging goods and ideas with each other has been going on for several thousand years and will continue. Neither is it a concern with "social" as opposed to the "economic" issues. The meeting in Porto Alegre was also about economics – an economics that serves society, rather than one that is served by society. In that sense, the core contention between Davos/New York and Porto Alegre is over the rules of the global marketplace – and who will set them.

Because the Investor Protection Party dominates the global financial institutions, the party in opposition has little real access to forums, which might force those institutions to seriously consider alternatives. Demonstrators can temporarily obstruct the workings of the global institutions' managers. But as the WTO showed by moving its last meeting to Doha, international agencies have the resources and the will to circumvent street demonstrators.

As a consequence, the leaders of the NGOs, trade union, anti-poverty and religious groups in opposition find themselves drawn into largely fruitless efforts to achieve social justice by lobbying the IMF, the WTO, the World Bank, and other finance and development institutions, which have no intention of making significant change in their program. NGOs may be put on public advisory committees, but the real work goes on in private where representatives of multi-national businesses negotiate the rules.

The Party of Opposition is thus constantly forced back into a defense of national sovereignty as the only available instrument for achieving social justice. Yet sovereignty is steadily eroding under the relentless pressure of global markets. Moreover, a nationalist politics undercuts the cross-border cooperation needed to balance the cross-border political reach of business and finance. Nationalism perpetuates the myth that national identity is the only factor in determining whether one wins or loses in the global economy. It obscures the common interests of workers in all countries when faced with the alliances of investors in rich and poor nations that now dominate the global marketplace.

Still, human rights and social justice will become part of the "constitution" of the global marketplace only when enough nation-states demand it. Therefore, if the global opposition is to develop an alliance of its developing and developed country wings, it must pursue a common global program for working people of all nations that reinforces their national struggles for economic and social equity.

Such a program would support national democratic movements and leaders who understand that national social contracts cannot be maintained in a global market that lacks one of its own, and that a global social contract cannot be established in the absence of effective social democracy at the national level. The global opposition cannot demand "democracy" at the IMF and not within the nations that belong to it.

The strategy for labor must change the framework of current global political debate in which the investor class pursues its interest across borders, while the working class is constricted by those borders. The creation of a true global alternative requires a perspective through which the interests of workers in all countries are linked. In a global marketplace, workers' living standards increasingly rise and fall together. When workers in Brazil win a wage increase, it raises the bargaining power of workers in Germany. When workers in

Indonesia improve their working conditions, workers in Nigeria benefit. Likewise, when the social safety net is strengthened in one country it helps those struggling for human economic and social rights in other countries as well.

So long as the struggle is seen as a struggle of nation against nation, the Party in Opposition will never be able to mount a credible alternative to the Neo-Liberal paradigm. Only when workers in all countries see that they ultimately have more in common with workers in other nations than they have with the owners of capital in their own country, will they be able to organize effectively. When investors are faced with similar demands for decent pay, healthy working conditions and human dignity at the workplace everywhere, they will be forced to have a serious debate about the economic future of the planet.

Trade Unions' Role

The definition of the global working class cannot be restricted just to unions. Nonetheless, the free trade union movement, that is, the movement of unions democratically elected by workers and accountable only to their membership, plays a crucial leadership role for the world's workers. Labor unions are strategically important in part because they have the power to deny capital the human resource that is necessary for the generation of profits. The capacity to strike is the ultimate threat to the investor class.

And just as the Party in Opposition needs the support of organized labor, so labor needs the support of the NGOs and other organizations that rise in opposition to the neo-liberal program.

In recent years, trade unions and other parts of the Party in Opposition have been working closer together. The coalition of workers and environmentalists in Seattle in 1999 symbolized this effort. And in local struggles against multinational corporations around issues of privatization, pollution and injustice all over the world reflect similar partnerships. One recent example is the coalition of U.S. and Mexican union activists and university Students against Sweatshops that forced a company producing for Nike to recognize an independent trade union whose leaders had been persecuted for protesting abominable working conditions.

Through the International Confederation of Free Trade Unions and its regional networks, unions have stepped up their efforts at global collective bargaining and joint organizing campaigns against multinational employers. The global trade union movement was crucial in the struggle against apartheid in South Africa and dictatorships in Korea and Indonesia. Today, unions all over the world are aiding in the struggle against oppression of workers' voices, from Burma to Colombia to Zimbabwe.

To move the partnership forward, the opposition will need to pay attention to areas that have sometimes divided trade unions and their allies in the developing and developed economies.

One example is the tension over labor rights and standards in international trade and investment agreements. Although virtually all trade unionists and their allies support such rights and standards, many in the Third World see the effort to enforce them with trade and financial sanctions as a vehicle for first-world protectionism.

As one Asian economist observed: "The U.S. Treasury runs the International Monetary Fund, and for years urged them to make loans to dictators who squandered the proceeds and are now dead, or retired in the South of France. Then the IMF tells us that the only way to pay their debts is to increase exports made with our cheap labor. When we do, U.S. unions complain that we are undercutting labor standards."

On the other hand, trade unionists from developed countries see their third-world brothers and sisters as being too willing to align themselves with multinational capital in opposing social protections through trade and financial agreements. They are skeptical when those in developing countries who claim to be supportive of human rights resist economic sanctions – which, in practical terms, are the only way to preserve those rights.

One strategy for overcoming this disagreement is to design a "grand bargain" that gives the working people in both developed and developing countries what they need. The bargain starts with the distinction between rights and standards. Collective bargaining is a right that every worker is entitled to, regardless of how rich or poor is his or her society. The wages and benefits that a union settles for, however, will depend on what the particular enterprise can pay. Likewise, all workers should have a right to a minimum wage. But the level of that minimum wage will depend on the economic development level of the country or region.

Once that distinction is understood, it may be possible for labor organizations and their allies in all countries to reach agreement that would provide enforceable labor rights in exchange for guaranteed commitments of long-term development aid and debt relief. Thus, the developed world would get protection for its social standards, and the developing world would receive the flexibility and capital investment it needs for growth. Incidentally, the issue of labor rights and standards is not just an issue for developing countries but developed ones as well. This "grand bargain" that links development with broadly increasing living standards would be connected to planning for sustainable development to create the program elements for a global social contract. Other elements would include:

- *Flexible Development.* The one-size-fits-all policies of the international financial agencies have not only failed to produce faster growth, they have allowed the leaders of recipient countries to escape responsibility for their own policies by blaming all their problems on the IMF or World Bank. Therefore, once human and political rights are ensured, countries should have the flexibility to choose their own development path, for which their leadership should be held accountable—to their citizens.

- *Winners Compensating Losers.* As long as workers who have to bear the costs of open markets expect that they will be abandoned by the society that profits at their expense, they will resist globalization. So countries need social policies that compensate those who must pay for the benefits of economic integration. Such policies would include increased public spending on health care for the uninsured, worker retraining, adequate pensions, and community redevelopment, as well as more generous unemployment compensation and wage insurance to cushion the blow of moving to lower-paying jobs.

- *Regulated Finance.* Volatile financial markets must be tamed. Since no system of global banking regulation is in sight, the simplest solution is the “Tobin Tax” –a tax on international financial transactions. The proceeds would be used for long-term investments in education and health care in poor countries. Such a tax, which has the virtue of being easily understood and can be administered with minimal bureaucratic discretion, is already supported by many influential people around the world. Several years ago, in fact, the government of Canada proposed a discussion of the Tobin Tax for the agenda of the Group of Seven (the major economic powers) meeting in Halifax, but the U.S. Treasury quickly quashed the idea.

- *Coordinated Economic Policy.* A fully functioning global economy—like a fully functioning national economy—needs central banking and counter-cyclical public budgets in order to maintain overall growth. But there will be neither a global central bank nor a global government budget for a long time, so these functions must be performed by the governments of the three largest economies—the United States, Europe, and Japan—acting together. Having pressured the world into a system of brutal competition, the major powers have an obligation to maintain sufficient global demand with low interest rates and other macroeconomic policies. Putting pressure on their governments to act is the special responsibility of worker organizations in those countries.

Regionalism and Democracy

Although international cooperation among those in the opposition is certainly growing, in a world of about 190 separate countries (most of which are desperate for investment) and more than six billion people (most of whom are

poor), the development of a global political movement powerful enough to bring the investor class to the bargaining table is clearly a long way off.

Nevertheless, it is not so difficult to imagine an effective cross-border politics among limited groups of countries in subglobal geographic regions. People who live in countries in the same region tend to have more in common with one another. Language barriers are not as great. Culture is similar. And trading relations are usually the strongest. From a development perspective, regional clusters of nations can provide the economies of scale so that small third-world countries can take advantage of new technologies. From a political perspective, a path to global integration built on expanding regional markets could provide a more accommodating arena for a social-democratic alternative.

Indeed, regionalism has long been a project of the mainstream left around the world. The European Union grew out of a French socialist's dream of burying Franco-German enmity. African regionalism was the vision of the late Julius Nyerere of Tanzania as a way of progressing beyond tribalism and colonialism. In Latin America, there is a history of efforts to bring together economies in the Southern Cone, in the Andes, and in Central America.

Attempts at regional integration of less-developed countries have failed more often than not, in part because ruling economic oligarchs and their foreign-investor allies are threatened by the bidding up of wages and costs that comes from a more diverse economy. Thus, the United Fruit Company-and, therefore, the U.S. State Department-was unenthusiastic about the regional integration of the Central American economies because it would have created competition for labor and weakened the politically conservative oligarchs that run those countries.

On the other hand, the European Union illustrates the greater potential for sustained economic integration when policy is focused on the development of a diverse domestic market. The extent of social protection in Europe and the rich debate over the restructuring of a continent-wide social contract reflect a comprehensive notion of economic integration as a tool for political and social development. Ironically, the European Union was inspired by U.S. economic history, which can be read as a process of regional integration supported by a federal constitution that nurtured (not without struggle) the growth of trade unions, civil rights, and a modest welfare state.

This more comprehensive approach stands in stark contrast to the North American Free Trade Agreement (NAFTA), which the U.S. government is now holding up as the model for development in all of the Western Hemisphere. In NAFTA development is narrowly defined as an expansion of the volume of goods and money that flow across the border. Accordingly, the arrangement gives extraordinary protections to investors but leaves labor, the environment, and consumers to the mercies of the deregulated markets. As a result the

benefits have largely gone to capital, while labor has borne the cost of dislocation, increased insecurity, and an overwhelmed public infrastructure on both sides of the border.

Whether NAFTA was worth this cost is a subject of partisan debate in each nation. But one thing is certain: NAFTA is incomplete. Deliberately so, of course; had its promoters revealed NAFTA for what it was – the first step toward economic and political integration of the three nations – it would have been soundly rejected in each country. Be that as it may, there is no going back. Supporters of the Washington Consensus are already pushing to consolidate their agenda for the North American economy, with proposals to adopt the U.S. dollar as currency in Mexico and Canada as well as an updated version of the infamous *bracero* system in which the U.S. government would provide American employers with Mexican workers whose docility is guaranteed by the threat to ship them back home.

Mexico's new president, Vicente Fox, has explicitly called for the transformation of NAFTA into a wider continental agreement. He wants to open up the border to more immigration and to receive aid for schools, roads, and infrastructure from the United States and Canada similar to the "social cohesion" funds that the richer countries of Western Europe provide to Spain, Portugal, Ireland, and Greece to help them grow faster.

These initiatives provide an opening for a trilateral coalition of progressives to offer its own continental grand bargain that reflects the interests of working people in all three countries. In such an arrangement, the United States and Canada would agree to make capital available for sustained public investments and Mexico would agree to the enforcement of labor and environmental standards, which would rise as the country's income grows (Faux 2000).

The advantages of starting a visible and transparent political debate over North American integration could spill beyond the continent. In light of the influence of the United States, it might give hope to many people around the world who are struggling with the consequences of a mismanaged global market—a sense that even here, in the heart of the Washington Consensus, an emerging alternative vision foreshadows a globalization that works for everyone.

Summarily, the failure of the neoliberal paradigm and the growing imbalances of the world's leading economy suggest that it is time for a rethinking of the politics of the global marketplace. Key to that understanding is recognition of the class dimension of the global political economy.

A major strategic task before us is the strengthening of the alliance of working people – North and South, East and West – through a common program. This should rest on a "grand bargain" in which the interests of developing and developed country workers are served. Such a grand bargain for

labor would also help raise consciousness among the majority of the world's citizens of the need for international solidarity with each other.

The task is difficult. But the world's working majority has two great advantages. One is that it is the vast majority – in every country. The second is that the world's workers are indispensable. One can imagine a world without multinational investors. It is impossible to imagine a world without workers.

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When Oppression Is the Status Quo, Disruption Is a Moral Duty



Overview

Capital is globalized; the resistance of the working class must be as well. The World Trade Organization, International Monetary Fund, World Bank, UN, NATO, North American Free Trade Agreement, G8, are all international undemocratic organizations interested in reducing conflict between capitalists, ensuring that those in power can more effectively exploit working people and environmental resources globally. The real criminals in the global system are therefore those who create inequality, poverty and exploitation, who cause misery and desperation and take away people's ability to sustain themselves and run their own lives. The real causes are the people and institutions which perpetuate capitalism. By organizing communities, making decisions and doing things for themselves at a local level, and resisting attempts by councils, bosses, police, government and capitalist profiteers to make people do what they want, people can start to change the world.

The Four Pillars of Oppressive Neoliberal Imperialism

The neo-liberal state has a transformed political centre; one which at the core and highest echelons of African governments now prioritize marketization, corporatization and outsourcing, and economic relationships which aid this. The political centre has been captured by entrepreneurs of the state, foreign corporate interests, and the accountancy firms. Over the past couple of years, peoples on the African continent, worthy people, working people, oppressed people have slowly begun to initiate processes of mobilization, struggle, and confrontation against what we call Neo-Liberalism. African people without a doubt are in the vanguard of the struggle against Neo-Liberalism that has materialized and taken root all over the world in the last decades.

Paraphrasing Marx, one can say that the specter of anti-Neo-Liberalism or of post-Neo-Liberalism is stalking the continent, from Cairo to Pretoria, through Dakar, Mogadishu, Nairobi, Duduma, etc., to Abuja. The continent serves as the vanguard of reflection and planetary mobilization responding to Neo-Liberalism and its effects. To look into this, to know why we are fighting, it is important to remind ourselves of the 3-4 main points as to what Neo-Liberalism is.

First off, Neo-Liberalism signifies a process of fragmentation—structural disintegration—of support networks, solidarity, and popular mobilization. Throughout the whole world, especially in Europe, Africa, Latin America, and Asia, Neo-Liberalism has grown out of the pulverization, fragmentation, and disintegration of the old workers' movement, the old peasant movement, and the urban mobilizations that developed in the fifties and the eighties. The fragmentation of society and the destruction of both solidarity networks and the fabric of cohesion have fostered the consolidation of Neo-Liberalism.

Secondly, Neo-Liberalism has taken form, advanced, and imposed itself on the world through privatization, i.e. private appropriation of collective wealth and public properties, including public savings, land, minerals, forest, and pension funds. Neo-liberalism developed through privatizing those resources.

Thirdly, the introduction of Neo-Liberalism was accompanied by reducing the state and deforming it, especially that aspect of the state relating for better or worse to the collective or to ideas of commonwealth. Neo-liberalism set out to destroy this notion of the state as collective or commonwealth in order to impose a type of corporate ideology calling for appropriation and squandering of collective wealth accumulated many times over by two, three, four, or five generations.

Fourth, the implementation of Neo-Liberalism led to limitations on people's political participation; democracy was ritualized into casting a vote every four years. The citizen voter no longer takes part in decision-making. Tiny circles of the political elite take it upon themselves to represent the people. These then

are the four pillars of Neo-Liberal Imperialism—fragmentation of the laboring sectors and worker organizations, privatization of public resources, the diminished state, and impediments to people's decision making.

Contemporary Global Capitalist Oppression: The Case of Africa

Africa, a continent with virtually all the resources it takes for development, is the worst hit by hunger, starvation, armed conflicts, instability, displacement and abject poverty. Politicians, jockeying for the little resources left by the capitalist class, display the politics of hide-and-seek, repression and oppression. This is mainly because of the system which encourages capital accumulation and profit-seeking. The cumulative effect is flagrant corruption, deprivation, wastage and impoverishment which intensifies underdevelopment.

Worst of all, as Africa is helplessly dragged into the global free trade championed by the International Monetary Fund (I.M.F) and World Bank, the continent's natural resources are further exposed for deep exploitation by international capitalism, which deteriorates the woes of the already impoverished African working class. This shows that the objective conditions of African socio-economic formations do not favor capitalism.

Capitalism and imperialism are perceived as the major cause of the current underdevelopment in Africa. Capitalist development has tended to reinforce the exploitative dependence that enables underdevelopment to persist. The fact remains that Africa will never witness any meaningful development under capital accumulation and market profit-seeking which breed dissension, division, greed, selfishness, tribalism, ethnic chauvinism and the like.

Recently, after the just concluded 22nd ECOWAS Summit in Abuja, Nigeria, one African president identified division and the exposure of the region's economy (market) to the Western capitalist class as the major source militating against the development of the region. But this is the base of capitalism—market profit-seeking and exploitation. It is not enough to identify these problems but more so to resolve them by helping to abolish the system that creates them.

The African working class has the cards in their hands for socialism if only they want it. Indeed, African conditions have revealed capitalism in its harshness and brutality: inequalities are too glaring. In the face of extremities of want and a meager surplus, it is difficult to sell the idea that those who are in positions to accumulate should take what they can and leave the rest to suffer what they must. Africa's ruling class has run out of ideas for fashioning and inspiring a functional development strategy, limited as it is by the constraints of working with ideas compatible with the maintenance of the existing property relations.

The evils of capitalism are conspicuous in Africa and Africans have lost confidence in capitalism, exemplified by the renewed springing-up of working-class consciousness in South Africa, The Gambia, Namibia, Kenya, Nigeria, Ghana and others but are choked by the external forces of capitalism. Again, another problem for the transition to socialism is the state of the development of productive forces in Africa which may turn even the best of intentions into caricature. The lack of the development of the productive forces appears to encourage political authoritarianism and reduces “Socialism” to the management and redistribution of poverty.

But underdevelopment will surely persist if the existing capitalist relations of production are maintained, and if the dependence of Africa on international capital continues. Therefore, the overturning of the existing relations of production is necessary for overcoming underdevelopment. Socialism is inevitable if development is desirable.

It is obvious that in the event of protracted futile developmental efforts, the politics of anxiety has become institutionalized and increasingly the ruling class is displaying signs of paranoia while the subordinate classes have become frustrated, demoralized and available for induction into extremist movements as in Algeria, Senegal, Burundi, Rwanda and the like. The ruling class is fast psychologizing failures which lie in the economic sphere. The fact is that Africa has less hope of development if the property relations of production and distribution and the market system continue. The reverse is the solution—socialism abolishing capital accumulation and market profit-seeking and embracing production for need.

Is the World Bank Partisan in this Global Oppression?

In the current political climate, where politics and economics are interlinked in ‘complicated and puzzling ways’ (Polyani 1957; Gilpin 1987 cited in Jackson and Sorensen, 2010: 182), the World Bank and various other international financial institutions have come under heavy criticism for their part in what is perceived to be an extension of old imperial policies. Questions of partisanship, being ‘prejudiced in favor of a particular cause’ (Oxford Dictionaries), neo-colonialism and self-interested policy-making have haunted the World Bank since its endorsement of structural-adjustment programs in the 1990s (Rowden, 2001), and it is this criticism that has prompted the debate over just how biased the World Bank really is. Thus when regarding the concept of partisanship in the World Bank it is important to note that we mean bias towards the ideology of the ‘global north’ (Odeh, 2010: 338), following a western model of norms and values.

Before addressing this question of bias, or political alignment in the World Bank, it is important to establish whether or not anything in the political can ever be nonpartisan, especially when considering it in the context of the International Political Economy (IPE). Although endorsers of economic liberalism would argue that it is important for the political to remain impartial, it is ultimately the mercantilist argument in favour of necessary bias that proves most convincing. Thus although the World Bank maintains that it is 'like a cooperative' (World Bank Group) it is clear that not only is it dominated by a western value system, but that it is not, and cannot, be nonpartisan. This shall be made clear both ideologically and physically; 'the accusation that... (it is) neo-colonialist has been argued in two ways: how the Banks were set up and how they operate.' (Watters, Marston and Cleaver, 2008: 69).

In order to better address this question it is first necessary to understand why, in the newly globalized world, it is impossible for politics to ever be nonpartisan, especially in IPE. Mercantilism is an ideology that views economics as a tool of the political in pursuing the national interests of states; malevolent mercantilism in particular argues that states exploit the international economic system through expansionary policies (Jackson and Sorensen, 2010: 184). This ideology is not a new concept; it has dominated economic ideology for 250 years (Ekelund and Herbert, 1975: 61), yet it can be seen to be increasingly applicable to the modern political economy, not least because it is strongly supported by realism. As a theory, realism focuses on a pessimistic approach to moral progress and human possibilities (Gilpin, 1984), and it is this self-interested "reality" that has been accepted by political scientists for centuries. Thus it supports mercantilism in arguing that states use economics in order to further their national interests in the political field at any cost; '...history instructs many...that economic competition is a form of war in which some win and others lose.' (Fallows, 1994: 231).

It can therefore be seen that economics is essentially just another platform for states to pursue their national interests and further themselves politically; thus mercantilists argue that it is impossible for anything to be nonpartisan in IPE, or indeed politics as a whole. Although economic liberals argue that the absence of politics in economics is key for cooperation and prosperity to transpire in IPE (Jackson and Sorensen, 2010: 187) its fatal flaw is in failing to prescribe the conditions for this to occur. Thus ultimately it can be seen that there is a practical impossibility of being nonpartisan in the globalized economic system as, like so many other disciplines, it has become fundamentally integrated with the political (Woods, 2008: 244-260), thus increasing the inevitability of partisanship. This ultimately changes the nature of this question, as it is now clear that everything in IPE is partisan, and thus the World Bank is no exception; so perhaps the more important question now is just *how* partisan it is (and

perhaps even *why* it is partisan in favour of western ideology more than any other).

Institutionally the World Bank is inherently partisan, both in the way that it was set up and the way in which it is internally run. The original idea behind the Bretton Woods institutions (made up of the International Monetary Fund and the World Bank) was for them to ‘resolve the tension between pursuit of private gain and the realisation of public policy goals in a democratic system’ (Underhill and Zhang, 2003: 83). This reasoning behind the World Bank is itself an illustration of partisanship, as this need for balancing of private and public interests is an innately western, capitalist problem (it also works on the premise that democracy will, or should, be present, which is a fundamentally western assumption). This is supported by the Marxist critique of capitalism, which states that since capitalism is expansive this constant search for new markets and more profits results in a conflict of interests between public and private wealth (Jackson and Sorensen, 2010: 189-195). Thus at its core is an essentially western concept; even though the aims and role of the World Bank have changed since 1944 it is clear that this ultimately capitalist ideology remains prominent within its workings today.

The World Bank is made up of two key bodies, the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD), which focus on poorer countries and middle-income/credit-worthy poorer countries respectively (World Bank Group). One of the main arguments regarding how the Bank is institutionally partisan is in the way in which it is governed, in particular the way the voting of member states is distributed. Each member country is allotted 250 votes plus one additional vote for each share it holds with the Bank; this means that the more developed, western states hold more weight in decision making as they are predominantly the largest shareholding members (evident in that the five largest shareholders being the UK, USA, Germany, France and Japan).

Regardless of whether this is ethically or morally right (as Critical theorists would argue it is not), it is therefore evident that states with more money wield more political influence in the policymaking of the Bank. In particular the Board of Directors is made up of 25 executive directors, 20 of these represent all member states, while the 5 biggest shareholders personally appoint one each. This is highly significant for the way in which policymaking in the Bank is weighted, especially when considering that the Board of Governors, which originally held all of the powers of the Bank, have delegated almost all of their powers to this Board of Directors. Since the majority of these large shareholders share western, capitalist ideals, and are in a position of extreme power within the Bank, it is evident that this has a huge impact on the decision-making processes throughout the Bank. Erik Reinert argues this negatively impacts the

effect that the Bank can have, stating that it is ‘based on willfully unrealistic economic assumptions combined with a large measure of rich-world self-interest; its effect is to keep poor countries poor and un-competitive, and to widen the divide between them and us!’ (Reinert, 2007).

This concept of ‘them’ and ‘us’ is key when regarding the World Bank’s leadership, as it is fairly evident how strongly it is dominated by western, capitalist states. Not only is the board of executive directors weighted in favour of the biggest shareholders (as aforementioned), but the presidency of the Bank has only ever been held by American delegates. This has been called into question by a variety of critics, most notably the Bretton Woods Project who, in their letter to the governors of the World Bank stated ‘It is time for the US to publicly announce that it will no longer seek to monopolize the presidential position’ (Bretton Woods Project).

The main reason for this, they argue, is that since the Bank works only in developing states, it should be encouraged for these states to nominate their own candidates to increase the legitimacy of the candidate holding the Presidential position. This letter was endorsed by various organizations and charities from around the world, from Christian Aid to the Equity and Justice Working Group in Bangladesh, illustrating the global support surrounding the calls for reform of the Bank. If the obvious domination of western, capitalist states within the Bank is not evident enough in its actual institutional make up, then the evidence of countless international calls for reform surely make it clear. Thus it is evident that not only was the World Bank set up on the foundations of western ideology, but the very way in which it is run is biased in favor of these capitalist, liberal ideals, thus illustrating just how fundamentally partisan it is as an institution.

The World Bank describes itself as a ‘vital source of financial and technical assistance to developing countries around the world.’ (World Bank Group) and it is the policies that it employs in doing this that prove to be so controversial on the world stage. Structural Adjustment Policies (SAPs) although mainly identified with the IMF, are also a vital part of the World Bank as it ‘regards them as part of a wider development reform package’ (Watters, Marston and Cleaver 2008: 70). These policies are fundamentally underpinned by neo-liberalism, which in the modern day is more specifically based on commercial and Republican Liberalism.

Neo-liberalism argues that not only does free trade and a market or capitalist economy pave the way for economic prosperity, but that being politically democratic also enhances the chances for economic development (Lamy 2008: 131). It is these economic policies and ideals that fundamentally make up the conditions of SAPs, and are ‘revealingly, known as the Washington Consensus’; it is this quote from Hobden and Jones that encapsulates how strongly SAPs are

influenced by western, and more specifically American ideology, and thus shows how partisan these policies are (Hobden and Jones, 2008: 152).

SAPs thus work ‘to encourage developing countries to pursue market-oriented strategies based on rolling back the power of the state and opening Third World economies to foreign investment.’ (Thomas, 2008: 475). Member states are almost forced into ‘liberalizing their economies and opening up to trade and foreign investment’ in return for aid or debt relief (O’Brien and Williams, 2010: 125) and it is these conditions that have spurred great criticism of the Bank. These SAPs therefore embody the partisan nature of the Bank, and the way in which it is politically motivated in favor of western, neo-liberal economic thinking.

Realists go a step further than this critical analysis of the Bank, and argue that not only do these SAPs illustrate how partisan it is in favor of western economic theory, but that they are actually imposed *purely* in the self-interest of the wealthier, western states (building on top of Mercantilist theory). This idea that western states in the Bank encourage conditionalities on developing states for personal gain is supported by post-colonial theory. Although post-colonialism is difficult to define, it is evident that its theorists largely focus on the existence, and persistence of colonial forms of power in the modern world (commonly termed neo-colonialism). ‘Neo-colonialism refers to a process through which the developed world controls the territory of developing nations through economic domination’ (Watters, Marston and Cleaver, 2008: 68).

The idea that wealthy, western states impose themselves economically on developing states, in order to better their financial and political status, is supported by various academics. Kwame Nkrumah, the former President and Prime Minister of Ghana, argues that wealthy states exert their influence ‘by monetary control over foreign exchange through the imposition of a banking system controlled by the imperial power’ (Nkrumah, 1965). He then goes on to argue that ‘the result of neo-colonialism is that foreign capital is used for the exploitation rather than for the development of the less developed parts of the world’, which many view to be illustrated in the policies of the World Bank. This realist notion that western states use economic policies, through institutions such as the World Bank and IMF, and under the guise of ‘developmental policies’, to dominate the global ‘south’ is dominant throughout the political arena; perhaps this is because ‘the level of economic and military control of Western interests in the global South is in many ways actually greater now than it was under direct control’ (Grovogui, 1996; Duffield, 2001 cited in Smith and Owens, 2001: 188).

This idea that the west uses economic means to increase its power over the global south is also endorsed by Neo-Gramscianism, a political ideology predominantly based on the works of Antonio Gramsci. Neo-Gramscianism

highlights how globalization has created a platform for the west to increase its hegemonic predominance on the international system; 'hegemony filters through structures of society, economy, culture, gender, ethnicity, class and ideology' (Bieler and Morton, 2004: 87). It also further supports the idea that the World Bank is a hegemonic tool used in spreading western, liberal ideals such as neo-liberalism or democracy to the global south, for the benefit of the dominant political class, the West (Hobden and Jones, 2008: 150). Thus perhaps it is more accurate to say that the World Bank is in reality not only partisan, but also that its leadership ensures that it acts *specifically* in their own interests. It is also important to note that encouraging economic liberalism in the global south is of political, as well as economic benefit to the western world (as with it usually comes democratization, and thus follows a certain level of Americanization, leading to political hegemony, as well as economic hegemony of the West).

A more liberal reasoning behind why the World Bank is so fundamentally partisan is that it is based on promoting development, and on establishing how best to assist the developing world, yet there is no universal definition of what 'development' actually is. Therefore as the very idea of 'development' is subjective, it follows that any interpretation of it is partisan in and of itself. The concept used by the World Bank today can be seen to draw from the Eurocentric idea of development that President Truman presented in his inaugural speech in 1949, where he emphasized the importance of the US and its contemporaries in sharing their technology and information, while promoting the need for exports and trading.

Although he rejected old ideas of imperial policies, Truman stated, "What we envisage is a program of development based on the concepts of democratic fair-dealing." (Truman, 1949). This illustrates a westernized concept of development, where democratic elements are presumed and emphasized, representing just one of the many interpretations of what development means. Lemuel Odeh argues that 'Development can be understood from the point of continued advancement of man towards good living standards' (Odeh 2010: 338), illustrating a different emphasis on human development rather than the development of economic markets. It is perhaps also down to this problem of definition that the Bank can be seen to have failed in some aspects of this human development; 'The World Bank's own statistics show that, in many regions of the world, increased exports are not associated with increased personal consumption' (Anderson, 2001).

Thus raising an important question of *why* the World Bank emphasizes exports if it does not promote development of individual wealth? This can again be explained by the issue of defining development, as the Bank is interested in the development of the state first and foremost, with human development seen as a natural consequence of the former. Thus the World Bank is not only

partisan, it is partisan in every single aspect of its workings as an institution, from its goals to its policies (this issue of defining development also strongly supports the mercantilist view that nothing in politics can be objective).

Ultimately it can be seen that the World Bank is fundamentally partisan as an institution, not just because of the mercantilist argument that everything in the political is partisan, but also in terms of realist arguments of self-interest and national gains. This question of partisanship and bias within the World Bank is of vital importance to the international system as the implications of this are huge; since international financial institutions have ‘become even more influential since the rise of economic globalisation’ (Watters, Marston and Cleaver, 2008: 68) their inner workings and ideology are crucial in establishing the changing world order.

Since some critics argue that the World Bank has ‘thrown millions of people deeper into poverty by promoting the same harsh economic reforms...regardless of local culture, resources, or economic context’ (Anderson, 2001), it is therefore clear why the Bank’s partisanship or natural bias is a political hot potato on the world stage. These debates over the Bank’s political alignment have led to speculation of its reform, and need for reform, throughout various different institutions; it is in this that the dialogue regarding the Bank’s partisanship finds its true importance, as in order for the Bank to progress its true ideological foundations must first be highlighted. Thus there are various benefits to establishing *how* partisan the World Bank is, even if it’s actually being partisan has never really been in question.

Through the auspices of the World Bank, the neoliberal counter-offensive has, since the 1980s, inflicted important – if highly contested —defeats on the working class and enabled a dramatic shift in the distribution of wealth and power from labor to capital. But the gains in competitiveness and profitability have been undermined by the consequent deflation of demand. Capitalists require low wages in the production process (in their own factories) and high wages in the realization process (in the market where their goods and services are sold). That they cannot have both constitutes one of the central contradictions of the system. Its effect in the neoliberal era has been to intensify a long-term tendency towards ‘over-accumulation’ (too much productive capacity and output relative to demand) leading to low growth, stagnation, and slump. Overall growth rates since the 1970s have been only half those of the period before, and the system has been subject to increasing ‘turbulence’ and a succession of bubbles, crashes, and recessions.

The turbulence is caused by financialization. The gap between supply and demand has been filled by debt. States, corporations, and households have become loaded with debt, the banking system has expanded into a gigantic casino, and the global super-rich have accumulated huge portfolios of electronic

‘wealth’. Even industrial conglomerates have become ‘financialized’, expanding less through productive investment than through financial speculation (often in their own shares) and through ‘mergers and acquisitions’ (often simply buying up privatized state assets). The four pillars of Neo-Liberalism have created tremendous poverty, marginalization, and misfortune. Hence, clearly we have to remove them. We must substitute other structures, other mechanisms, by which society, nations, and poor working people might regain the right to decide their own destiny.

Undermining Oppression

Ask an urban bird what a polluted sky is. You’ll get no answer. Even if birds could tell their tale so you could understand it, they would likely have no explanation for the pollutants they breathe and fly through every moment of their lives. Polluted air simply is. Birds take it for granted. The first step in combating oppression is learning to recognize it. Many people in North America seem to think racism, for example, is a thing of the past, banished now by affirmative action programs and Black History month. Radicals often have a stronger awareness of how prevalent racism still is, and may even develop an analysis of how it is only one manifestation of systematic white supremacy, but many go no further than this. To undermine and ultimately abolish oppression, it is necessary to take the step of confronting and undoing it in ourselves and others.

There are almost as many kinds of oppression as there are facets of our complex identities; some strains are based on visible traits like race or sex, others are not. Fortunately, there are also tools that can be used for identifying, resisting, and dismantling all of them. Throughout this recipe, we focus on white supremacy so as to offer concrete examples, though it is not necessarily more widespread or pernicious than patriarchy or any other form of oppression. Oppression and privilege intertwine in extremely complex ways; racism, classism, heterosexism, ageism, and others overlap and extend into all spheres of our lives.

Traditional single-issue activism focuses on contesting one manifestation of these at a time: fighting the prison-industrial complex, opposing corporate exploitation of low-wage workers, challenging specific foreign policies. Such activism can benefit greatly from a holistic understanding of oppression and how it operates—in these examples, how state repression, capitalism, and imperialism all rest on oppression and privilege. Whatever one’s chosen focus, it is important to be aware of diverse forms of oppression and to challenge them on every level.

Anger, Silence, and Guilt

Working against both institutional and personal manifestations of oppression can be emotionally intense and challenging. In the course of learning to recognize and struggle against oppression, one is likely to encounter and experience deep resentment, regret, and heartache. Many people have been deeply hurt and angered in the course of their experiences of oppression, and these feelings of hurt and anger can be hard for others to hear. Even when the ways they choose to express these feelings seem unproductive or antagonizing to those who have not shared their experience, it is important that they be supported in doing so—otherwise, how are people to learn from one another and gain perspective on themselves? If rage and pain are hard to hear about, imagine how much harder they are to live with and give voice to!

Likewise, fighting racism and white supremacy isn't a matter of simply learning not to say the wrong thing. At worst, would-be radicals can approach these issues in a self-serving manner, focusing on how to avoid being accused of racism and privilege instead of concentrating on actually combating them. If we are to effect real change in our society, we will do better to deal with everything openly, however clumsily, than to keep silent in fear of ourselves and each other.

Those who set out to contest their own privileges will inevitably struggle with feelings of guilt. Such feelings can be powerful resources; they can also paralyze and incapacitate. Guilt can motivate one to act in accordance with one's conscience, fostering self-awareness and courage; it can also trap one in a closed circle of self-recrimination. When those with privilege make their own guilt the focus of their thinking about oppression, it can be a way of re-centralizing their own experiences, turning away from the experiences of those who bear the brunt of injustices and from the question of what can be done.

When dealing with guilt, begin by analyzing what it is that makes you feel guilty, and move swiftly on to the matter of what concrete steps you can take to redress the situation. Focus on this, rather than on shame and self-flagellation. However complicit you may be in oppressive systems, however much more you may benefit from the status quo than others do, you too are deserving, you too are unique, you too suffer, just like everyone else—that is never in question. The question is what you can do to stop being complicit, to stop benefiting at others' expense.

Reclaiming Identity: Identity Politics

A classic step in self-empowerment has been to reclaim the boxes we're forced into, reinterpreting them as politicized identities. By linking up with

oppressed others, people find validation of their experiences and perspectives, and companions with whom to struggle against the forces that oppress them and others. The matter of identity is indeed complex. A person's identity is not a set of fixed essences, but a fluid intersection of social, political, and psychological processes. Yet though the constructed identities foisted upon us by this society may not reflect what we consider to be our true selves, we must engage with them in order to subvert them. Whether or not we want it to be the case, our experiences are shaped by the ways we are perceived, and it can be useful to organize with those who share our experiences.

For instance, even in gatherings of radicals or others thought to be conscious about racism and white supremacy, people of color can feel alienated, for example when there is a great disparity in numbers between those who have white privilege in common and those who do not. In such situations, one option is to call for a "caucus" or establish a "safer space" wherein people of color invite others who identify similarly to gather and interact in an exclusive space, or at least taking a break from the potentially taxing experience of being in a minority that must deal with uneven power dynamics.

The purpose of this is not to exclude those who do not identify as people of color. It is, rather, a way for those who can feel alienated, marginalized, or victimized in environments in which the tone is set by more privileged groups to come together, support one another, and organize as they desire. It can be a relief to take some time off from the challenges of interacting with others who do not share one's frame of reference for oppression, and from feeling the pressure of others' observation and expectations. Ultimately, it is in the best interest of everyone in a group that all individuals within it feel comfortable and empowered.

Caucuses and safer spaces need not be limited to people of color, of course: all who feel they might benefit from this format can employ it. They need not happen only at short-term gatherings of radicals, either: it can make sense to have weekly caucuses in a community, or monthly ones within a collective, or to call for one in the midst of an organizing effort. Women-only houses can offer round-the-clock safer space, youth-only radio stations can provide opportunities for individuals to develop their unique voices, queer-only magazines and action groups can carry out long-term campaigns. In this way, the identities that mark targeted groups for oppression can be turned into sites for organizing resistance to it.

Self-Empowerment

Covering the surface of this society is a complex network of minute rules and norms through which the most original minds and energetic characters can

barely penetrate. People's wills are not shattered, but softened, bent, and guided. People are seldom forced to act, but are constantly restrained from acting. Such repression does not destroy, but rather prevents existence; it does not tyrannize, but instead compresses, stifles, and stupefies, so that each individual grows up into a dutiful lamb that needs no shepherding to stay within the fence-line. This is not political repression, which necessitates secret police and prison camps, but cultural repression, in which people police and imprison themselves.

It is too simplistic to imagine individual social controllers in the upper echelons of power as the source of all oppression. White supremacy, for example, is not just the clubs of white policemen, nor the country clubs of white executives. White power is not just the power of white people; it is a system of dynamics extending throughout every level of a society, present in every interaction and within every individual. This is why there can be white privilege even in nations where—according to conventional North American standards—no one is, technically speaking, white. Likewise, there is no external enemy we can march against to overthrow patriarchy; we are within enemy territory, and the enemy is within us. At the same time as we fight against external manifestations of oppression, we must also struggle against those we have internalized, putting an end to our own oppressive actions and empowering ourselves to cast off the shackles we have received.

Learning to take criticism constructively—even when it's hard to feel that it is intended constructively—is an important part of this endeavor. If one is too defensive to receive perspective on one's own attitudes and conduct, one will miss out on countless opportunities to better oneself. At the same time, one must learn to recognize the voice of the oppressor in one's own head, telling one what one can and cannot do, what one deserves and does not deserve. An encouraging, inspiring circle of peers can help to counteract this internalized oppression.

Being an Ally

To be allies to others in the struggle against racism—to name one example of oppression—is to recognize that racism exists within us without resigning ourselves to that fact, and to engage in real resistance that goes beyond the confession of our personal complicity. It is to accept that we who have internalized racial dominance will never fully understand the plight of those who suffer the injustices of white supremacy more than we do, and yet to do all we can to learn from their experiences. It is to take an active role in fighting against racist institutions, without compromising the autonomy of those who have even more at stake in this struggle than we do.

People sometimes assume that the means for learning about racism are in scarce supply. This is an absurd, perhaps even subtly racist assumption, as it ignores the abundance of experience around us. To gain an understanding of the workings of white supremacy, one need not attend endless workshops or become involved in an obscure subculture; indeed, there are reasons to be suspicious of anti-racist organizing in which white experts take the lead in educating and organizing. There are no experts on oppression—or rather, all who experience oppression are experts. Even if you have been so privileged as not to have experienced it yourself, there are people all around you who know firsthand what it is to bear the brunt of racist injustice and inequality. You simply must learn to listen to them, and to conduct yourself such that they will be willing to share their experiences with you.

At the same time, no person more targeted by the racist system than you are owes it to you to take the time to educate you about racism. They have enough to deal with already, without you feeling entitled to make assumptions about or demands of them. Many people of color are exhausted from being asked to speak for all members of their race throughout their lives, or for that matter for all members of all non-white races. Whenever people less privileged than you are willing to take the time to share their perspectives, they are giving a generous gift, one greater than anyone could possibly ask of them and not to be taken for granted. In the meantime, whenever you need to learn about racism and white supremacy and don't know who to approach, you can always consult the vast bodies of literature, film, music, and history made by those of less privileged backgrounds than your own. Aspiring anti-racists of all races, accustomed to listening to popular white views on nearly everything, would benefit from taking in knowledge of all sorts from multiple sources. As programmed as we all have been by this racist society, we owe it to ourselves and each other to begin learning the rest of our history and culture.

Educating oneself is a critical starting place, but this is not sufficient to make one a good ally: one must make use of this education in practice. Learning the ways that privileged groups dominate others, one must then take steps to cease all such activities. This can be as simple as a man learning not to interrupt women in conversation, or as complex as a household of white tenants joining in a struggle against the gentrification of their predominantly black neighborhood.

To be an ally, one ultimately must provide concrete support to those on the front lines of the struggle against oppression. In doing so, a person from a privileged background should be careful not to attempt to assume control, as he or she has been conditioned to feel entitled to do, but rather endeavor to provide support to others according to their express wishes. Above all, would-be allies must stay sensitive, both to the needs of others and to the tragedies in the world

around them, and put their outrage at the disposal of those who suffer these tragedies.

Group Dynamics

Oppression is not an individual problem, but a social phenomenon; accordingly, while individuals can work on deconstructing it within themselves and supporting others who are struggling against it, the most important work against oppressive dynamics takes place in social groups. Hierarchical power dynamics are common even in affinity groups, collectives, and other groups that aspire to radical activity. Many communities include aggressive or dominating individuals who, in speaking or acting, hinder others from doing so. They offer their opinions on every topic, take over the organizing of every project, seize every opportunity to speak on behalf of others.

Such dominating individuals may believe that they are doing the majority of the work because no one else would do it if they did not; but it can also be the case that they are creating an environment in which others become unwilling to fight for space in which to act. Taken by itself, this behavior is only domination; but when one factors in the privileges many domineering individuals abuse and perpetuate, it can be recognized as yet another manifestation of oppression.

Individuals must develop the self-awareness to resist dominating social situations and prevent others from dominating them. There are tools groups can use collectively to this end, as well. Simple matters, such as how accessible gathering times and locations are to different demographics and whether childcare is available, can determine who is and is not able to participate in specific projects and social circles. In meetings, a group can give speaking priority to those who have been speaking less, or to those who are more directly affected by the issue in question. Discussions can be set up in a format that encourages the equal participation of different groups: for example, women and men can alternate speaking, so there will be equal proportions of male and female voices heard. No structure can be counted on to be better than the people who make use of it—there's no substitute for self-awareness and sensitivity—but such conventions can be a stepping stone to more naturally egalitarian dynamics.

Another format useful for resolving conflicts or giving a group perspective on its inner dynamics is sometimes called a “fishbowl.” This exercise is like safer spaces and caucuses in that a space and time is set aside for one demographic within the group to speak, but in this case the rest of the group is present, listening to but not participating in the discussion. This can be a tremendously instructive opportunity for those with privilege to learn about others' experiences, and for those who experience challenges in working with privileged

individuals to address them; at the same time, this practice must be applied with care, as it can make people feel singled out.

No one appreciates feeling used or put on display because of the color of their skin or any other such characteristic. This is sometimes called tokenization, and it is a blunder many commit in attempts to make their communities more welcoming to “others.” Recruiting people of color, women, or other less privileged demographics to prove one’s dedication to anti-oppression work, or asking them to speak as “the minority” in meetings or conversations, can itself be oppressive behavior.

Nurturing Relationships

Developing relationships with those who experience less privilege is no guarantee that we will deal openly and consistently with race or any other such issue. Too often, people claim to understand the experiences of another group because of a high degree of exposure to them: “But my best friend is black!” “But my stepfather wasn’t born here!” A white person’s relationship with a person of color can never be a proof or a credential of anti-racist consciousness.

All the same, working to dismantle the institutional, cultural, and personal barriers that keep us alienated from one another is a fundamental part of undermining white supremacy and other forms of oppression. We may have to accept that there will always be more barriers to remove, but in removing those we are able to we learn and grow in revolutionary ways. Meaningful relationships that transcend boundaries and constructs can offer a taste of the world oppression otherwise denies us. Building friendships and alliances with people whose experience of oppression is different from our own is much more than a strategy for working towards specific political ends; it is also a way to live life more fully and do our part to make it possible for others do the same.

Disrupting Capitalist Imperialist Oppression

The partisans of capitalism, and among them, prominently, the EU leaders, have lost all credibility. For years now they have trampled on the rights of peoples while not wavering when it came to making decisions directly opposed to their advertised principles in order to bail out major banks. European government parties could have acted differently and nationalized the banks, thus retrieving the cost of the bailout on the patrimony of major shareholders and CEOs. The public credit instrument that would have resulted could finance socially useful and environment-friendly projects while guaranteeing individual savings.

The crisis has brought back onto the agenda proposals that had been swept aside during the long neoliberal night such as a radical reduction of working time (with creation of jobs and no loss of pay) or indexation of wages and social benefits on the cost of living. Europe needs new financial discipline: company ledgers have to be opened to external and internal auditing (through the trade unions among others), all financial products must be regulated, and it must be forbidden for companies to have assets in any tax haven. Major means of production, trade, finance, communication and other services must be transferred to the public sphere and taken away from capitalists' control. Access to public goods must be systematically promoted.

In a political perspective, European citizens must retrieve the political power that has been taken away from them. The populations who were able to have their say on the Constitutional Treaty turned it down, but leaders ignored their votes without a second thought. Meanwhile Venezuela, Ecuador and Bolivia show us the way. There, citizens elected a Constituent Assembly in order to draw up a new draft Constitution, which is to be discussed with social movements and sanctioned by referenda. In these three countries voters can now revoke any elected representative mid-mandate, whereas no European Constitution mentions any such highly democratic mechanism.

The countries of Europe must stop plundering the natural resources and know-how of the South. They must increase official development aid, which ought to be called 'contribution to reparations' by way of repairing the historical, social and environmental damage they brought about. Europe must cancel Third World Debt and implement the Universal Declaration of Human Rights in all its dimensions, including article 13, the right to freedom of movement and residence. Europe must turn away from nuclear power and dismantle all nuclear weapons currently on its territory. Europe must leave NATO and withdraw its troops from all territories under military occupation. Europe must close down all US military bases on its territory. All EU member countries must grant complete independence to populations they still wield colonial power over (the 'French' and 'Dutch' Antilles, British overseas territories, New Caledonia, Reunion Island ...). Europe must rescind all partnership agreements with Israel and see to it that the rights of the Palestinian people be at long last respected.

Capitalism has drawn humankind down into a deep multidimensional crisis: it affects the financial sector, the economy, the climate, food and energy supplies, not to mention wars and the arms race. The patriarchal system perpetuates the oppression of women in all areas of life. As asserted at the Women's Assembly at the World Social Forum in Belem on 1 February 2009: We are not interested in palliative answers based on market logic in response to these crises; this can only lead to perpetuation of the same system. We need to

move forward in building alternatives if we are to oppose the capitalist and patriarchal system that oppresses and exploits us
(See http://www.cadtm.org/spip.php?page=imprimer&id_article=4104, accessed 05/04.16).

We also support the declaration of indigenous peoples adopted at Belem: The capitalist development model, a model that is Eurocentric, sexist and racist, is in absolute crisis, and is leading us to the greatest social and environmental crisis in the history of humankind. Structural unemployment is aggravated by the financial, economic, energy and production crisis, along with social exclusion, sexist and racist violence and religious fanaticism. That there should be so many simultaneous crises, and so deep, forebodes an authentic crisis of civilization, a crisis of “capitalist and modern development” that endangers all forms of life. But there are those who continue to dream of improving this model and refuse to acknowledge that what is in crisis is capitalism, Eurocentrism, with its model of a State destined for one culturally homogeneous nationality, western positive rights, developmentalism and the commodification of life.

Capitalism, patriarchy, and all forms of oppression will not disappear of their own accord: only the conscious and deliberate actions of men and women can yield another system whose goals would be to guarantee indivisible human rights and to protect the environment. We must free our minds of the tragic Stalinist caricature of communism, do away with capitalism, and invent an ecologically viable, socialist and feminist project rooted in the realities of the 21st century.

In order to effectively confront systems of oppression we must also address issues of power and privilege. It is often easier to focus on how people are oppressed, disadvantaged and discriminated against than it is to address how we as individuals may have privileges and as a result are able to exercise our power at the expense of others. The kind of self-scrutiny needed to look at ourselves and examine the ways we have benefited from different forms of privilege is difficult. When we focus on how people are oppressed we tend to think that forms of oppression like anti-Romaism is an issue that Roma face alone – not something that white people are also affected by. If we follow this line of thinking, Roma people are held responsible for eliminating Romaphobia and white people are left out of the picture. The truth is white people need to be part of the fight anti-Romaism by confronting white privilege and power. Similarly, men need to be part of feminist struggles to end sexism.

The 1968 revolution in France precipitated the postmodernist shift in thinking. Foucault’s vision of power in society saw it as moving through everything in society. He failed to recognize the ultimate and most essential power in society – that of the ruling elite, derived from control of the means of

production but expressed in the state, in control of the propagating of ideas in society, etc.

Neither is the somewhat crude valorizing of the working class that some on the far-left have counter-posed, accurate in my opinion. The ISO and the SWP have purported that essentially there are no power gaps within the working class itself, and specifically, tend to very bluntly and crudely assert that working class men don't benefit from women's oppression. They contend that the ruling class alone benefit. Paul D'Amato has written, for example: "Atomized and separate, encouraged to go for each other's throats, workers are powerless. So when a male worker abuses his wife, he is acting not out of power, but out of powerlessness, out of weakness. And when a white worker acts in a racist manner toward a Black worker, the white worker is not expressing their own power, but the power of the system over them." This tends to understate the situation – for example, is it credible to suggest that a group of men on a stag's night who buy a woman's body to use sexually are doing so out of powerlessness? In reality, they are objectifying a human being and are subjugating her aspirations and sexuality as subservient to theirs. And in general and on average, working class men do benefit to some degree from women's oppression, given that it does in general, not only result in more leisure time each week but also less of a domestic burden, given that women often assume overall responsibility for running the house, caring for others and managing finances.

The SWP have had a flawed theoretical approach on the question of women's oppression, derived from Tony Cliff, SWP founding member, and his assertion in *Class struggle & Women's Liberation* that it was incorrect to focus "consistently on areas where men and women are at odds, rape, battered women, wages for housework, while ignoring or playing down the important struggles in which women are more likely to win the support of men: strikes, opposition to welfare cuts, equal pay, unionization, abortion."

It's not necessary to understate divisions that do exist within the working class in order to build unity. In fact, fully recognizing and characterizing divisions makes it more likely you can do the same. Trotsky, when discussing how it was inevitable that anti-Semitic ideas would resurface under the bureaucratic, inefficient and poverty-stricken Stalinist state in the Soviet Union wrote that, "Of course we can close our eyes to the fact and limit ourselves to vague generalities about the equality and brotherhood of all race. But an ostrich policy will not advance us a single step."

(<http://www.marxists.org/archive/trotsky/1937/02/therm.htm>).

Crucially, working class men have absolutely no vested interest in keeping a system that oppresses women in place. The same social forces that push women into low-paid jobs, that promotes sexist ideology that precisely impacts on the

attitudes and behavior of many men, are the same social forces that mean unemployment, poverty, forced emigration, yellow-pack work that's an increasing part of life for young and working class women and men under neo-liberal, austerity capitalism. Fundamentally, the ruling class benefit from division inside the working class, be it on gender or on racial lines, as it can cut across an effective challenge to their rule. Furthermore, there are direct economic gains for capitalism for a low-paid female or migrant workforce. Fundamentally, an accurate portrayal and depiction of oppression is necessary, if sexist or racist attitudes and their import that exist inside the working class are glossed over, oppressed groups will be not be won to a united struggle, the route to liberation.

Interestingly, the glossing over by the SWP of differences that exist within the working class, vis a vis men and women is turned on its head in regard to the national question and opposing imperialism. In this instance, any class analysis is jettisoned completely as workers' unity is seen as virtually impossible and possibly even undesirable. Regarding the North, the SWP have historically given support to the IRA, including advocating votes for Sinn Fein, despite the fact that such a strategy would utterly alienate the Protestant working class, therefore cutting across opportunities for socialists to organise and lead mass working class struggle across the sectarian divide to challenge capitalism, imperialism and oppression. Similarly, with regards to Israel/Palestine, the SWP write off Jewish workers and have a non-class approach.

Intersectionality

Intersectionality is often explained as a theory of how different oppressed groups intersect. Many who subscribe to intersectionality do so from a progressive point of view. Sometimes, out of a rejection of transphobic feminism, feminism that is not accepting, or even hostile to the transgender community. Or out of a rejection of liberal or bourgeois feminism that ultimately serves the interests of the most privileged sections of women and imagines change only very much within the remits of the capitalist system. However, the true nature of intersectionality doesn't provide a strategy that can win, and can be quite problematic in practice.

Kimberley Crenshaw coined the term intersectionality. In this way, it has liberal roots, as it was conceived as a means to improve services offered to black women in the US who are victims of intimate partner violence. This of course is useful and important, but it is interesting that intersectionality was from its outset, not specifically developed as a means to end oppression, more as a tool to ease the worst effects of it. Often references are made to the Combahee River Collective Statement of black feminism from 1977

(<http://circuitous.org/scraps/combahee.html>) as the radical roots of intersectionality, but the word is not used in the text. Crenshaw her self's description of intersectionality is quite insightful:

"I conceive of intersectionality as a provisional concept that links contemporary politics with postmodern theory. In examining the intersections of race and gender, I engage the dominant assumptions that these are essentially separate; by tracing categories to their intersections, I hope to suggest a methodology that will ultimately disrupt the tendencies to see race and gender as exclusive or separable categories. Intersectionality is thus in my view a transitional concept that links current concepts with their political consequences, and real world politics with post-modern insights... The basis function of intersectionality is to frame the following enquiry: How does the fact that women of color are simultaneously situated within at least two groups that are subjected to broad societal subordination bear upon problems traditionally viewed as monocausal – that is gender discrimination or race discrimination?" ("Beyond Racism & Misogyny: Black feminism & 2 Live Crew" by Kimberle Williams Crenshaw, in *Feminist Social Thought: A Reader* (Routledge, 1997))

Crenshaw overtly places intersectionality in the post-modern context. Her professed primary concern is to categorize and characterize oppression, rather than to develop a strategy to end it. Her assertion that race and gender are not essentially different is not accurate, and an unnecessary remark that will only serve to leave correct analyses of how race and gender intersect to deepen oppression, open to question. This inaccuracy spills into other aspects of her analysis. For example, she asserts that the experiences of a woman of color in a violent relationship are qualitatively different, to the experiences of a white woman in a violent relationship. There's no question that in the case of a woman of color, particularly a working class woman of color, the likelihood of being victim-blamed, of experiencing mis-treatment at the hands of the police or judiciary as a victim, are greater.

Furthermore, there's no question that looking into this reality, analyzing it, and documenting it is worthwhile. However, is it really true to say that there is a fundamental difference with what a white woman, particularly a working class white woman in an abusive relationship would experience? In fact, building unity of any and all working class women in particular that are oppressed by male violence in organizing and campaigning for services to assist them, for public housing to assist women to leave abusive relationships, and to challenge the sexist and macho culture fostered under capitalism that feeds into violence against women of all classes, would be an effective method to challenge male violence against women.

Of course, within that, women of color require the opportunity to voice and challenge their own particular and unique experiences and concerns, and in some instances, separate campaigns might be necessary and effective. However, a central problem with the intersectional approach is that in its concern with personal experiences of the oppressed, and categorizing the layered oppressions heaped upon the most marginalized and victimized sections under capitalism, it can underestimate or disregard opportunities for solidarity of different oppressed groups working in unity. Most specifically and crucially, it doesn't have a reference point for the ending of oppression. In other words, it subscribes to the postmodern view of an end of class struggle, and therefore stops at the point of categorizing and characterizing oppressions rather than using the raising of consciousness of specific oppressed groups with their own demands and campaigns and concerns, to feed back into the building of an anti-capitalist working class movement that has the power to end the profit-system and the rule of the 1%, which has a vested interest in maintaining division to prevent a united challenge to its own rule, as well as profiteering directly from various forms of oppression.

bell hooks, a black feminist, academic and intersectional advocate and theorist has made salient criticisms of naked bourgeois or pro-capitalist feminism – the feminism of Sheryl Sandberg CEO who is insultingly telling us to 'lean in', or of Beyonce and her worshipping of greed and wealth and individualism in music. Bell hooks from the outset has a more explicitly radical tone and goal, than, for example, Crenshaw's material. However, her goal of smashing capitalism and smashing patriarchy in a problematic inference that these are two separate struggles, is without strategy.

Capitalism simply cannot be defeated without the front and centre participation of women, particularly working class women, close to half the workforce in many countries and over-represented in the lowest paid, most exploitative sectors. Similarly, in the US, where the African American population continue to experience the harshest exploitation and victimization at the hands of US capitalism, a significant level of multiracial working class challenge to division and racism that's fostered by the ruling class, would be essential to the building of a challenge to US capitalism that had any chance of threatening, let alone, ending the rule of the 1%. The growing movement in the US to fight for \$15 minimum wage, which has already scored a victory in Seattle, has this multiracial quality with low-paid workers of color playing a really prominent role in the struggle.

In Ferguson, Missouri in August 2014, a localized uprising of the impoverished black population, targeted by a racist, mainly white police force, has illustrated the potential for a new civil rights movement in the US to develop. Such a movement, not only could inspire the working class of other

and all ethnicities who themselves are disillusioned with the ‘American Dream’ fantasy of US capitalism and identify with the 99% coined by the Occupy movement, it could challenge racist ideas that exist within the working class and could be a spur to a wider anti-capitalist movement. Such a movement would feed into and strengthen a new civil rights struggle. And such unity would maximize the potential to transcend the inordinate power of the US capitalist state – in Ferguson local police are decked out in full combat army gear and have utilised tear gas, an army tank, and helicopters – to inflict violence and repression to maintain the status quo.

The political is personal?

In second-wave feminism of the late 1960s and 1970s, particularly as it emerged in the US, the maxim, ‘the personal is political’ aptly summed up that the new movement was ensuring that violence, rape, lack of control over ones reproductive health, the isolation and mental distress that can emanate from being in the home doing unpaid labor, and more were all social issues and questions that required a social movement and social change to address. They were not simply adversities that women had to face on an individual level. They arose in a given political and social system and required political and social change to address them.

Much of the feminism prominent from the 1990s, has turned this hugely progressive guiding maxim on its head. It has become—‘the political is personal’. That is evident in bell hook’s writings that express her own raw anger at experiences of sexism and racism, a raw anger that in many ways doesn’t seek to develop a either a materialist analysis of the nature of oppression in society, and furthermore that is not channeled in a fashion that can aid the building of a movement to end this oppression. In *killing rage ending racism* (1995), hooks embodies this subjective, “the political, is personal”, approach:

“Ironically, many whites who had struggled side by side with black folks responded positively to images of black victimization. Many whites testified that they looked upon the suffering of black people in the segregated South and were moved to work for change. The image of blacks as victims had an accepted place in the consciousness of every white person; it was the image of black folks as equals, as self-determining that had no place **Chart 7** shows the estimated losses among family income quintiles of a rise in the overall unemployment rate from 4% to 6.5%. That could evoke no sympathetic response. In complicity with the nation-state, all white Americans responded to black militancy by passively accepting the disruption of militant black organizations and the slaughter of black leaders.”

In essence, hooks is dismissing out of hand the work of, for example, the original white 'Freedom Riders' in the early 1960s who defied Jim Crow laws in an attempt to aid the burgeoning Civil Rights movement. White freedom riders, often middle class white students, of course had never been in the shoes of poor black people from the South, but they engaged in dangerous action as the Freedom Rides were a focus for KKK violence and attacks, to help to highlight the ugliness and injustice of segregation. Hooks is displaying a highly cynical view that is so categorical (re *all* whites in the US for example), that it inevitably overlooks the complexities of reality, as well as the potential for changes in attitudes. Is it possible that some Freedom Riders, for example, as products of their environment, were operating off wrong notions about their superior education and ability to organize and lead a movement? —yes, of course it is. But it's also the case, that such young people would likely have been hugely influenced in their attitudes through the Freedom Ride experience as they saw black people, including poor, not formally educated black people, taking the lead in organizing and fighting the elites, the system, and violent KKK mobs with courage, ingenuity and dexterous ability.

It's also ridiculous to claim that every single white human being in the US reacted negatively to the black power and Black Panther's movement. Some whites joined and worked in collaboration with the Black Panthers (<http://monthlyreview.org/2011/10/01/blackwhite-radical-alliances-in-the-1960s>). If anything, the Black Panthers and black power movements were an inspiration to the most radical young people, women and workers who wished to challenge their own subjugation, in an era of revolutionary turmoil around the world. No doubt it challenged bad attitudes, prejudices and stereotypes of black people still enduring even amongst those most conscious sections. Hooks also rules out the existence of any working class empathy that some sections of white workers would have felt for their extremely oppressed brothers and sisters of color, an oppression and exploitation that they could relate to given their own experiences as workers.

Denial of Victimization aids Neoliberalism

Furthermore, Hooks's reference to victims is also problematic. Being a victim is not a character trait. It simply denotes someone who is victimized by someone or something. Workers in the public sector can be victims of austerity, and also through collective action, agents in fighting it. Women in abusive relationships are victims of their partner's violence and abuse and can also be unionized workers, anti-austerity campaigners and/or campaigners against Intimate Partner Violence. Similarly, the black population in the US are victims of the ingrained state racism, and particularly of state racism against African-

Americans that has been a feature of US capitalism from its outset. Kajsia Ekis Ekman has written that “the neoliberal order hates victims”, that “if there are no victims, there can be no perpetrators.” Being a victim of oppression is a reality. The denial of the reality of victimization, be it by a racist police man and force in Ferguson, Missouri, or of a racist US capitalism, lets the perpetrators and fundamentally, the system, off the hook.

Privilege Theory

Privilege Theory is another strand of ID politics that has been growing in popularity in the growing new feminist circles that also emanates from the third-wave / post feminism era. The theory was developed by Peggy McIntosh in a 1988 essay, “White Privilege: Unpacking the Invisible Knapsack.” McIntosh suggests that, for example, white upper class men carry around an invisible knapsack that contains various unearned advantages that they can draw upon as they mediate their way through life. She, as a white woman, carries around certain unearned advantages over the non-white population, also.

Many who subscribe to privilege theory do so in an attempt to recognize and challenge oppression and inequality in all its various guises, forms and layers, which of course can be an important step in the direction of engaging in action to challenge oppression. However, the central problem with the privilege theory approach is quite simply its focus on individual solutions to challenging oppression, inherent in privilege theory is a view that ending oppression is making people aware on an individual basis of their ‘unearned advantages’, in order to ensure that they don’t use them.

“Although systemic change takes many decades, there are pressing questions for me and, I imagine for some others like me if we raise our daily consciousness on the prerequisites of being light-skinned. What will we do with such knowledge? As we know from watching men, it is an open question whether we will choose to use unearned advantage, and whether we will use any of our arbitrarily awarded power to try to reconstruct power systems on a broader basis.” (McIntosh from “White Privilege: Unpacking the Invisible Knapsack”).

In reality, privilege theory hugely underestimates the depth and scope of different forms of oppression, particularly class oppression. It neglects to grasp the overarching social forces leading to oppression, and utterly underestimates state racism, the profits gleaned from women’s oppression via unpaid and low paid labor under capitalism etc. Telling people on an individual basis that they are privileged over other sections in society is an ineffective strategy for change. It’s a subjective, individualistic, liberal approach that is steeped in illusions in the system. The hugely oppressive nature of capitalism is missed in a moralistic approach to try to show one’s awareness of oppression, in order to ‘call out’ the

ignorance of others. It's trying to create an oppression-free island of social circles of those who are more enlightened. In this way, it's not unlike the political approach of those who have opted out from the norms of capitalist society through collectivized communes. But in such a scenario, oppression and inequality remain in society at-large. What's needed is a dynamic intervention into it, in order to both change attitudes, as well as to challenge the class roots of oppression.

Fundamentally, privilege theory also underestimates how much sexist and racist ideas propagated under capitalism in so many ways actually impacts quite deeply on attitudes of individuals – it will take more than a checking of one's privilege to genuinely transform attitudes and human relations. For example, 'privilege' doesn't explain why sections of men are violent towards women. The social phenomenon of male violence against women, that a section of men in society are the perpetrators of, is more than just that some men choose to use their 'unearned advantages'. The prevalence of male violence against women, as well as sexual abuse of women and of children, must be understood and analyzed in the context of thousands of years of the nuclear, patriarchal family ideology, the continued subjugation of women in society, and the pushing of sexist ideas under capitalism—a system that, in contrast to previous social and economic systems, has an unprecedented and ever-growing ability to propagate its ideology.

There is no getting away from the need for active struggle, against oppression in all its guises, and against the capitalist system itself, in order to eliminate the material roots of oppression and inequality. We need to build a socialist society based on human need of the majority as opposed to profit for a tiny minority that has human solidarity and co-operation at its heart. Such a change must be fought for and is defended through collective, mass struggle and action in order to begin to build the basis to eliminate oppressive economic, political, racist and sexist attitudes, and to foster human personal relationships based on equality, consent, choice and respect.

No to the new idolatry of money

One cause of this situation is found in our relationship with money, since we calmly accept its dominion over ourselves and our societies. The current financial crisis can make us overlook the fact that it originated in a profound human crisis: the denial of the primacy of the human person! We have created new idols. The worship of the ancient golden calf (cf. Ex 32:1-35) has returned in a new and ruthless guise in the idolatry of money and the dictatorship of an impersonal economy lacking a truly human purpose. The worldwide crisis affecting finance and the economy lays bare their imbalances and, above all,

their lack of real concern for human beings; man is reduced to one of his needs alone: consumption.

It is clear that while the earnings of a minority are growing exponentially, so too is the gap separating the majority from the prosperity enjoyed by those happy few. This imbalance is the result of ideologies which defend the absolute autonomy of the marketplace and financial speculation. Consequently, they reject the right of states, charged with vigilance for the common good, to exercise any form of control. A new tyranny is thus born, invisible and often virtual, which unilaterally and relentlessly imposes its own laws and rules. Debt and the accumulation of interest also make it difficult for countries to realize the potential of their own economies and keep citizens from enjoying their real purchasing power. To all this we can add widespread corruption and self-serving tax evasion, which have taken on worldwide dimensions. The thirst for power and possessions knows no limits. In this system, which tends to devour everything which stands in the way of increased profits, whatever is fragile, like the environment, is defenseless before the interests of a deified market, which become the only rule.

No to a financial system which rules rather than serves

Behind this attitude lurks a rejection of ethics and a rejection of God. Ethics has come to be viewed with a certain scornful derision. It is seen as counterproductive, too human, because it makes money and power relative. It is felt to be a threat, since it condemns the manipulation and debasement of the person. In effect, ethics leads to a God who calls for a committed response which is outside of the categories of the marketplace. When these latter are absolutized, God can only be seen as uncontrollable, unmanageable, even dangerous, since he calls human beings to their full realization and to freedom from all forms of enslavement. Ethics—a non-ideological ethics—would make it possible to bring about balance and a more humane social order. With this in mind, I encourage financial experts and political leaders to ponder the words of one of the sages of antiquity: “Not to share one’s wealth with the poor is to steal from them and to take away their livelihood. It is not our own goods which we hold, but theirs.”

A financial reform open to such ethical considerations would require a vigorous change of approach on the part of political leaders. I urge them to face this challenge with determination and an eye to the future, while not ignoring, of course, the specifics of each case. Money must serve, not rule! The Pope loves everyone, rich and poor alike, but he is obliged in the name of Christ to remind all that the rich must help, respect and promote the poor. Hence,

economics and finance must adopt an ethical approach which favors human beings.

No to the inequality which spawns violence

Today in many places we hear a call for greater security. But until exclusion and inequality in society and between peoples is reversed, it will be impossible to eliminate violence. The poor and the poorer peoples are accused of violence, yet without equal opportunities the different forms of aggression and conflict will find a fertile terrain for growth and eventually explode. When a society – whether local, national or global – is willing to leave a part of itself on the fringes, no political programs or resources spent on law enforcement or surveillance systems can indefinitely guarantee tranquility. This is not the case simply because inequality provokes a violent reaction from those excluded from the system, but because the socioeconomic system is unjust at its root. Just as goodness tends to spread, the toleration of evil, which is injustice, tends to expand its baneful influence and quietly to undermine any political and social system, no matter how solid it may appear. If every action has its consequences, an evil embedded in the structures of a society has a constant potential for disintegration and death. It is evil crystallized in unjust social structures, which cannot be the basis of hope for a better future. We are far from the so-called “end of history”, since the conditions for a sustainable and peaceful development have not yet been adequately articulated and realized.

Today’s economic mechanisms promote inordinate consumption, yet it is evident that unbridled consumerism combined with inequality proves doubly damaging to the social fabric. Inequality eventually engenders a violence which recourse to arms cannot and never will be able to resolve. This serves only to offer false hopes to those clamoring for heightened security, even though nowadays we know that weapons and violence, rather than providing solutions, create new and more serious conflicts. Some simply content themselves with blaming the poor and the poorer countries themselves for their troubles; indulging in unwarranted generalizations, they claim that the solution is an “education” that would tranquilize them, making them tame and harmless. All this becomes even more exasperating for the marginalized in the light of the widespread and deeply rooted corruption found in many countries – in their governments, businesses and institutions – whatever the political ideology of their leaders.

A New Ideology Is Necessary

The horizon is not so far as we can see, but as far as we can imagine. There is no reality which is not mediated by perception. This is not to say that there is no reality; the famous “I refute you thus,” kicking a rock, applies. It does not mean there are no natural laws, no physics, chemistry, or even truth—or Truth. It means that we decide what reality means through a thick lens of belief. This lens picks out what is important, obscures the unimportant, and distorts everything, and most people are hardly even aware that it exists.

Keynes once wrote that most politicians are slaves of some defunct economist, generally whose name they don’t even know. That we should regulate the world through markets is an idea which would have been absurd to virtually everyone three hundred years ago, even as the divine right of Kings is absurd to us today. That corporations should shield their owners from liability is an idea which was bitterly opposed by most capitalists two hundred years ago. That greed leads to better outcomes was laughable to virtually everyone, including Adam Smith, who thought it worked only in very specific circumstances and lamented that tradespeople were constantly in conspiracy against the public. That goods, including food, should be primarily divided based on market success is another idea that most of the world, for most of history, has never held.

What is oddest about our modern ideology is the same thing that is odd about virtually all ideologies: it contradicts itself. We do not have either free or competitive markets, and not one in a hundred free market ideologues could define a competitive market, nor would they want one if they could, since an actual competitive market reduces profits to nearly nothing. Free markets cannot exist without government coercion, yet we have come to assume that it is government which makes markets unfree, which is a half-truth at best; it’s markets that make governments unfree when they buy government—and the first thing any good capitalist does upon winning a market is try to eliminate the free market, since an actual free market threatens a monopolist or oligopolist.

An ideology tells us what is thinkable and what is unthinkable, what is moral or immoral, ethical or unethical. Right or wrong! It either says that 90 percent taxation is right and good on great wealth, or an unthinkable burden on “value” creators. It defines what is value, for instance, privileging financial innovation which actually destroys genuine good production. It says that food that makes us sick is acceptable and that banning such food is unethical. It says that it is right and proper that men and women meet their needs by working for other people, without any ability to meet their own needs if the market deems them surplus beyond private or public charity. It says that land that lies fallow is not available for anyone to grow food, that pumping poison into water and food

and air is acceptable, that rationing health care by who has the most money is the best way to do it. Or, it could say that healthcare is too important to allow people to buy their way to the front of the line.

People think that their individual decisions matter, but so much of what happens is dictated by social contexts. A man goes to war, or not, and that has little to do with him personally. A college student has a huge debt and that is because she is a Millennial, not a Baby Boomer. A generation has fantastic success, but that is because they are the GI Generation in America—these circumstances are not the results of individual decisions, even if it feels like it. Born 30 years earlier, the exact same people would have stagnated on farms. A generation raised in affluence undoes all the protections put on the economy by those who experienced the Great Depression, because they know better, really, and they never experienced the Great Depression or the Roaring '20s.

One of the most important books of the past 200 years was a pamphlet, *The Communist Manifesto*. You should read it. Virtually every demand in the Communist Manifesto has been met by Western Democracies. Conservatives like Otto Van Bismarck looked at it and said, “Oh, you want pensions, we can give you that if it means you don’t rebel and cut our heads off.”

A credible opposing ideology, a credible existential threat to the reigning ideology, creates a reaction. That reaction can be, well, reactionary, but it tends to blend towards that ideology. When the main ideological and material competition to Western Capitalist Democracy is a nasty form of Islam and a Chinese Totalitarian State-run crony capitalism, that leads nowhere good, not least because they aren’t credible threats (no, Islamism is not going to conquer Europe, Japan, North America, or South America, sorry).

But an ideology organizes things. The Assyrians, the Babylonians, the Akkadians, the ancient Egyptians, if they wanted to do something, set up a new religion, with a new God. They were quite brazen about creating Gods, really. They ran the banks out of the churches, and indeed, ran some truly terrible usury, with interest rates as high as thirty to forty percent, which is why debt holidays were instituted, it didn’t take long before people owed more grain or silver than existed in the entire universe, with rates like that.

When we want to do something, we fiddle with market design, with little incentives here or there. We make bureaucratic rules, create new laws, set up secret courts and bureaucracies to run them, make small adjustments here or there to make sure things work out as we want. A little tax here or there, a subsidy here or there, a patent or IP law change, a law requiring millions of dollars before one can set up a bank, laws allowing corporations to monetize public research by universities, and all the right people make money and the wrong people don’t, and all is good in the world.

The fundamental idea of our current regime is one that most people have forgotten, because it is associated with Marx, and one must not talk about even the things Marx got right, because the USSR went bad. The fundamental idea to which I refer is that we are wage laborers. We work for other people, we don't control the means of production. Absent a job, we live in poverty. Sure, there are some exceptions, but they are exceptions. We are impelled, as it were, by Marx's whip of hunger. It took a lot of work to set up this system, as Polanyi notes in his book *The Great Transformation*, but now that it has happened, it is invisible to us.

A new ideology that leads to prosperity should insist on changing this relation to the means of production. This doesn't mean a Marxist proletarian "communist" paradise, but it does mean giving ordinary people back real economic power, which means the real ability to say "no" to wage labor, and the freedom from needing to take the next job that comes along regardless of what it is. Not only will this lead to a different, much more fair division of goods created by society, it will lead to much better treatment of wage labor workers. The experience of the dot-com boom should be instructive in this regard: When you can walk out because you don't need this job and it isn't clear you can be replaced, bosses suddenly start treating you very, very well indeed.

A new society is essential to totally disrupt this oppressive system. It should be, not a consumer society, but a producer one, in which most people feel that they can make things, feel that they can provide for much of their own needs. Though many people sneer at the idea that technology matters, in fact, technological change makes possible new modes of production, along with new social arrangements. The assembly line and factory imply a type of social arrangement, the heavy plow implies a type of social arrangement, hunter-gatherer implies yet another. Within each of these technological tool kits, however, there are choices: some hunter-gather bands are the sweetest, most kind, peaceful people you could ever want to meet. Others are high practitioners of torture and head-hunting. Central planning of the Soviet variety and industrial democracy of early to mid-twentieth century America are both within the possibilities of industrialization. Radios were originally used much like the early internet till the government used the excuse of the Titanic sinking to seize the airwaves from the early pioneers and sell them to large companies.

There are, ultimately, two dominant strategies: cooperate or compete. If you want widespread prosperity, the dominant strategy in your ideology must be cooperation, though competition has its place. And ultimately the difference between the right and the left is this: The right thinks you get more out of people by treating them badly, the left thinks you get more out of people by treating them well. An ideology that believes in treating people well is a lot better to live under. And as a bonus, happy people are a lot more fun to be around. And

societies with that ideology, all other things being equal, will tend to out-compete those who believe that fear, misery, and the whip are the best way to motivate people.

Finally, an ideology that succeeds is always Universalist. It asserts, for example, that all people have certain rights and does not admit to exceptions. This may bother the relativists, but a powerful ideology admits no doubt on core ethical concerns: democracy is how everyone should rule themselves, no exceptions, or; everyone has a right to a trial and to see the evidence against them, or; anyone who doesn't worship the True God is going to hell. A powerful ideology is a scary thing. If your ideology isn't strong enough, doesn't create fervent enough belief that people will die for it, then it won't change the world. But if it *does* create that level of fervent belief, then it will be misused. The question is simple: Will this do more harm than good?

An ideology which leads to us killing a billion or more people with climate change, allow me to posit, is a bad ideology. At the end of its run, neo-liberalism will kill more people than Marxist-Leninism did, and will be thought of by our grandchildren as monstrous. Most of them will be no more able to understand how or why we submitted to it (or even believed in it) than we can understand how Hitler or Stalin or Pol Pot or Mao came to power. Hyperbole? Not in the least, because the body count is going to be phenomenal. When faced, then, with a monstrous ideology, our duty is to come up with a better one, an opposing one. The reason is that ideology determines what we do. It is both the lens through which we see the world, and the motor that pushes us forward.

What Is To Be Done?

The real debate about alternatives to oppressive neoliberal globalization began on the 1st of January 1994 with the uprising of well-organized Indios of the Southern Mexican jungle (Topitas, 1994). Men, women and children of the so-called "Zapatista National Liberation Army", named after the Mexican peasant and successful leader of the Mexican Revolution of 1910, Emiliano Zapata, occupied without force some central areas of the state of Chiapas. They declared to fight Mexico's integration into the neoliberal NAFTA, the North American Free Trade Agreement, alongside the USA and Canada. NAFTA was inaugurated the same day (Appendix). One of the movement's speakers, the now world famous "Subcommandante Marcos", declared that neoliberalism was a "world war waged by financial power against humanity" and an expression of the worldwide crisis of capitalism, not its success. The Indios had decided not to be part of this. They chose to resist. Their idea of an alternative life was clear and they practiced it despite the hostility they received from the government and the military (Rodriguez 2005).

Their resistance was based on an indigenous version of “good governance”: direct democracy, egalitarianism and a non-exploitative subsistence economy entrenched in local independence and a respect for every individual’s dignity (Werlhof, 2007 a) —a concept derived from pre-colonial experience, from the so-called “deep Mexico”, a cultural and spiritual heritage maintained throughout centuries. In the North, it was not before 1997/98 that the social movement against neoliberalism gathered momentum with the struggle against the ratification of the MAI. The movement’s first success was the failure of the MAI due to France’s refusal to ratify it.

The movement then spread wide and fast across the globe and mobilized a total of up to 15 million people for protests against the wars in Yugoslavia, Afghanistan, and Iraq. In 2002 and 2003, the struggle focused on the “Stop GATS!” campaign, led by international groups like Attac. Support was widespread. “Social Forums” began to be organized and every year individuals, groups and organizations critical of neoliberal globalization met regionally, nationally, continentally, and globally. The “World Social Forums” gathered up to 100.000 people and more from all over the world under the motto: “Another world is possible!” Activists also came together regularly at the summits of the WTO, the WEF (World Economic Forum), the G8 or the World Bank. They managed to cause two WTO conferences, in Seattle and Cancún, to fail, which dealt a strong blow to the organization (Shiva 2005).

Still, euphoria would be out of place. An alternative to neoliberalism is not created through analysis and protest alone. An alternative to neoliberalism has to be practiced. Opinions on how to do this differ. Some discuss “alternatives” that are none: a reform of the WTO; a “control” of globalization through NGOs; a return to Keynesianism; a restoration of “social market economy”; or even a revival of socialism. Such ideas ignore reality and trivialize the problem. Much more is at stake – neoliberalism shows this every day.

Neoliberalism is an apocalypse, a “revelation.” There is no way to deny this any longer. It is impossible for neoliberalism to justify itself by the reality it creates. No one can be fooled anymore by calling the corporations harmless “players” either. Things have become serious. There is no ambiguity. As a consequence, the perpetrators of neoliberal politics simply lie about what is happening.

In a way, we can say that the only good thing about neoliberalism is that it reveals the truth about “Western civilization” and “European values.” This means that people now have the chance to draw the right conclusions about what is really needed. What is really needed, of course, is nothing less than a different civilization. A different economy alone, or a different society or culture will not suffice. We need a civilization that is the exact opposite of neoliberalism and the patriarchal capitalist world system it is rooted in. The logic of our

alternative must be one that completely undermines the logic of neoliberalism (Werlhof, 2007 b).

Neoliberalism has turned everything that would ensure a good life for all beings on this planet upside down. Many people still have a hard time understanding that the horror we are experiencing is indeed a reality – a reality willingly produced, maintained and justified by “our” politicians. But even if the alternative got half-way on its feet – no more plundering, exploitation, destruction, violence, war, coercion, mercilessness, accumulation, greed, corruption – we would still be left with all the damage that the earth has already suffered.

The earth is not the paradise it was (at least in many places) 500 years ago, 200 years ago or even 100 years ago. The devastation has been incredible: large parts of our drinking water are disappearing mainly due to the melting of the glaciers and polar caps; our climate has changed dramatically, causing turbulences and catastrophes; our atmosphere is no longer protected against ultraviolet radiation (“ozone layer problem”); many species of our fauna and flora are extinguished; most cultures and their knowledge are destroyed; most natural resources exhausted. And all this happened within what only comes to a nanosecond of the earth’s history.

We have to establish a new economy and a new technology; a new relationship with nature; a new relationship between men and women that will finally be defined by mutual respect; a new relationship between the generations that reaches even further than to the “seventh”; and a new political understanding based on egalitarianism and the acknowledgment of the dignity of each individual. But even once we have achieved all this, we will still need to establish an appropriate “spirituality” with regard to the earth (Werlhof 2007 c). The dominant religions cannot help us here. They have failed miserably.

We have to atone for at least some of the harm and violence that has been done against the earth. Nobody knows to what degree, and if at all, this is even possible. What is certain, however, is that if we want to have any chance to succeed, we need a completely new “culture” for this: a “caring” relationship with the earth based on emotional qualities that have been suppressed and destroyed in the name of commodity production and “progress.” We need to regain the ability to feel, to endure pain, to lose fear and to love in ways that seem inconceivable today (Anders 1994, Vaughan, 1997). If this happens then a new life on and with our earth might really be possible. In any case, it is the only earth we have.

Fortunately, there are signs pointing in the right direction. In many regions in the South, indigenous movements have arisen following in the footsteps of the Zapatistas (Esteva 2001). Especially the Indios in Latin America have returned (or, at the same time, “advanced”) to ways of agriculture and

subsistence that had been practiced for millions of years and produced a diversity of concrete wealth. Indios have also established mini-markets to trade products they themselves do not need. By doing this, they secure both the social and ecological survival of their immediate (and extended) environment (Bennholdt-Thomsen/Mies, 1999, Bennholdt-Thomsen/Holzer/Müller, 1999). The global peasants' movement "Via Campesina" defends the rights of small farmers all across the world. It counts millions of members today. The "localization" (Norberg-Hodge, 2001) of politics and economy is on the rise everywhere. New communities, as well as new "commons" and new cooperatives, are being formed. Local councils organize and network regionally. In India, this is called "living democracy" – a democracy that includes the earth and that we can hence call an "earth democracy" as well (Shiva in Werlhof, 2001 b).

In the North, thousands of local networks exist in which "free money" replaces money that comes with interest, accumulates value and serves as a means for speculation rather than trade (Lietaer, 1999). A solidarity economy" and a "green economy" expand globally and challenge the prevailing "profit economy" (Milani, 2000). In the North as well as in the South, people experiment with so-called "participatory budgets" in which the inhabitants of neighborhoods or whole towns decide on how to use tax money. Even the concept of an economy of gift giving in a post-capitalist and post-patriarchal society is discussed (Vaughan, 2004, 2006). In any case, fundamentally new communal experiences beyond egoism are sought. Communities are being created in which people support each other, allowing every individual to think, feel and act differently.

No alternatives have ever come from "the top." Alternatives arise where people, alone or in groups, decide to take initiative in order to control their destiny (Korten 1996). From the bottom of society (Mies, 2001), a new feeling of life, a new energy and a new solidarity spread and strengthen each and every one involved. As a result, people are able to free themselves from a notion of "individuality" that reduces them to "sentient commodities" or, even worse, "functioning machines."

The mentioned examples of resistance and alternatives do truly undermine neoliberalism and its globalization. People who are engaged in them reach a completely different way of thinking. They have lost faith in "development" and have seen through the game. To them, "development" has become an affront or an object of ridicule. Politicians are expected to "get lost", as we have recently seen in Argentina: "Que se vayan todos!" It has become clear that no one wants to have anything to do with conventional politics and politicians anymore. People have realized that politics as a "system" never serves but betrays and divides them. Some people have developed almost allergic reactions to

conventional politics. They have experienced long enough that domination inevitably negates life.

Of course there are alternatives to plundering the earth, to making war and to destroying the planet. Once we realize this, something different already begins to take shape. It is mandatory to let it emerge before the hubris' boomerang finds us all. Here are certain steps proposed by Samir Amin (2011): (i) socialize the ownership of monopolies, (ii) de-financialize the management of the economy, and (iii) de-globalize international relations. These steps must be taken to disrupt such capitalist oppression.

Socialize the Ownership of Monopolies

The effectiveness of the alternative response necessarily requires the questioning of the very principle of private property of monopoly capital. Proposing to 'regulate' financial operations, to return markets to 'transparency' to allow 'agent's expectations' to be 'rational' and to define the terms of a consensus on these reforms without abolishing the private property of monopolies, is nothing other than throwing dust in the eyes of the naive public. Monopolies are asked to 'manage' reforms against their own interests, ignoring the fact that they retain a thousand and one ways to circumvent the objectives of such reforms.

The alternative social project should be to reverse the direction of the current social order (social disorder) produced by the strategies of monopolies, in order to ensure maximum and stabilised employment, and to ensure decent wages growing in parallel with the productivity of social labour. This objective is simply impossible without the expropriation of the power of monopolies.

The 'software of economic theorists' must be reconstructed (in the words of François Morin). The absurd and impossible economic theory of 'expectations' expels democracy from the management of economic decision-making. Audacity in this instance requires radical reform of education for the training not only of economists, but also of all those called to occupy management positions.

Monopolies are institutional bodies that must be managed according to the principles of democracy, in direct conflict with those who sanctify private property. Although the term 'commons,' imported from the Anglo-Saxon world, is itself ambiguous because always disconnected from the debate on the meaning of social conflicts (Anglo-Saxon language deliberately ignores the reality of social classes), the term could be invoked here specifically to call monopolies part of the 'commons.'

The abolition of the private ownership of monopolies takes place through their nationalization. This first legal action is unavoidable. But audacity here

means going beyond that step to propose plans for the socialization of the management of nationalized monopolies and the promotion of the democratic social struggles that are engaged on this long road. I will give here a concrete example of what could be involved in plans of socialization.

‘Capitalist’ farmers (those of developed countries) like ‘peasant’ farmers (mostly in the South) are all prisoners of both the upstream monopolies that provide inputs and credit, and the downstream ones on which they depend for processing, transportation and marketing of their products. Therefore they have no real autonomy in their ‘decisions.’ In addition the productivity gains they make are siphoned off by the monopolies that have reduced producers to the status of ‘subcontractors.’ What possible alternative?

Public institutions working within a legal framework that would set the mode of governance must replace the monopolies. These would be constituted of representatives of: (i) farmers (the principle interests), (ii) upstream units (manufacturers of inputs, banks) and downstream (food industry, retail chains) and (iii) consumers, (iv) local authorities (interested in natural and social environment – schools, hospitals, urban planning and housing, transportation), (v) the State (citizens). Representatives of the components listed above would be self-selected according to procedures consistent with their own mode of socialized management, such as units of production of inputs that are themselves managed by directorates of workers directly employed by the units concerned as well as those who are employed by sub-contracting units and so on. These structures should be designed by formulas that associate management personnel with each of these levels, such as research centres for scientific, independent and appropriate technology. We could even conceive of a representation of capital providers (the ‘small shareholders’) inherited from the nationalization, if deemed useful.

We are therefore talking about institutional approaches that are more complex than the forms of ‘self-directed’ or ‘cooperative’ that we have known. Ways of working need to be invented that allow the exercise of genuine democracy in the management of the economy, based on open negotiation among all interested parties. A formula is required that systematically links the democratization of society with social progress, in contrast with the reality of capitalism which dissociates democracy, which is reduced to the formal management of politics, from social conditions abandoned to the ‘market’ dominated by what monopoly capital produces. Then and only then can we talk about true transparency of markets, regulated in institutionalized forms of socialized management.

The example may seem marginal in the developed capitalist countries because farmers there are a very small proportion of workers (3-7 per cent). However, this issue is central to the South where the rural population will

remain significant for some time. Here access to land, which must be guaranteed for all (with the least possible inequality of access) is fundamental to principles advancing peasant agriculture (I refer here to my previous work on this question). ‘Peasant agriculture’ should not be understood as synonymous with ‘stagnant agriculture’ (or ‘traditional and folklorique’). The necessary progress of peasant agriculture does require some ‘modernization’ (although this term is a misnomer because it immediately suggests to many modernization through capitalism). More effective inputs, credits, and production and supply chains are necessary to improve the productivity of peasant labour. The formulas proposed here pursue the objective of enabling this modernization in ways and in a spirit that is ‘non-capitalist,’ that is to say grounded in a socialist perspective.

Obviously the specific example chosen here is one that needs to be institutionalized. The nationalization / socialization of the management of monopolies in the sectors of industry and transport, banks and other financial institutions should be imagined in the same spirit, while taking into account the specificities of their economic and social functions in the constitution of their directorates. Again these directorates should involve the workers in the company as well as those of subcontractors, representatives of upstream industries, banks, research institutions, consumers, and citizens.

The nationalization/socialization of monopolies addresses a fundamental need at the central axis of the challenge confronting workers and peoples under contemporary capitalism of generalized monopolies. It is the only way to stop the accumulation by dispossession that is driving the management of the economy by the monopolies. The accumulation dominated by monopolies can indeed only reproduce itself if the area subject to ‘market management’ is constantly expanding. This is achieved by excessive privatization of public services (dispossession of citizens), and access to natural resources (dispossession of peoples). The extraction of profit of ‘independent’ economic units by the monopolies is even a dispossession (of capitalists!) by the financial oligarchy.

De-Financialization: A World without Wall Street

Wall Street has become War Street against the oppressed at global level. Nationalization/socialization of monopolies would in and of itself abolish the principle of ‘shareholder value’ imposed by the strategy of accumulation in the service of monopoly rents. This objective is essential for any bold agenda to escape the ruts in which the management of today’s economy is mired. Its implementation pulls the rug out from under the feet of the financialization of management of the economy. Are we returning to the famous ‘euthanasia of the rentier’ advocated by Keynes in his time? Not necessarily, and certainly not

completely. Savings can be encouraged by financial reward, but on condition that their origin (household savings of workers, businesses, communities) and their conditions of earnings are precisely defined. The discourse on macroeconomic savings in conventional economic theory hides the organization of exclusive access to the capital market of the monopolies. The so-called ‘market driven remuneration’ is then nothing other than the means to guarantee the growth of monopoly rents.

Of course the nationalization/socialization of monopolies also applies to banks, at least the major ones. But the socialization of their intervention (‘credit policies’) has specific characteristics that require an appropriate design in the constitution of their directorates. Nationalization in the classical sense of the term implies only the substitution of the State for the boards of directors formed by private shareholders. This would permit, in principle, implementation of bank credit policies formulated by the State – which is no small thing. But it is certainly not sufficient when we consider that socialization requires the direct participation in the management of the bank by the relevant social partners. Here the ‘self-management’ of banks by their staff would not be appropriate. The staff concerned should certainly be involved in decisions about their working conditions, but little else, because it is not their place to determine the credit policies to be implemented.

If the directorates must deal with the conflicts of interest of those that provide loans (the banks) and those who receive them (the ‘enterprises’), the formula for the composition of directorates must be designed taking into account what the enterprises are and what they require. A restructuring of the banking system which has become overly centralized since the regulatory frameworks of the past two centuries were abandoned over the past four decades. There is a strong argument to justify the reconstruction of banking specialization according to the requirements of the recipients of their credit as well as their economic function (provision of short-term liquidity, contributing to the financing of investments in the medium and long term). We could then, for example, create an ‘agriculture bank’ (or a coordinated ensemble of agriculture banks) whose clientele is comprised not only of farmers and peasants but also those involved in the ‘upstream and downstream’ of agriculture described above. The bank’s directorate would involve on the one hand the ‘bankers’ (staff officers of the bank—who would have been recruited by the directorate) and other clients (farmers or peasants, and other upstream and downstream entities).

We can imagine other sets of articulated banking systems, appropriate to various industrial sectors, in which the directorates would involve the industrial clients, centers of research and technology and services to ensure control of the ecological impact of the industry, thus ensuring minimal risk (while recognizing

that no human action is completely without risk), and subject to transparent democratic debate.

The de-financialization of economic management would also require two sets of legislation. The first concerns the authority of a sovereign state to ban speculative fund (hedge funds) operations in its territory. The second concerns pension funds, which are now major operators in the financialization of the economic system. These funds were designed—first in the U.S. of course—to transfer to employees the risks normally incurred by capital, and which are the reasons invoked to justify capital's remuneration! So this is a scandalous arrangement, in clear contradiction even with the ideological defense of capitalism! But this 'invention' is an ideal instrument for the strategies of accumulation dominated by monopolies.

The abolition of pension funds is necessary for the benefit of distributive pension systems, which, by their very nature, require and allow democratic debate to determine the amounts and periods of assessment and the relationship between the amounts of pensions and remuneration paid. In a democracy that respects social rights, these pension systems are universally available to all workers. However, at a pinch, and so as not to prohibit what a group of individuals might desire to put in place, supplementary pension funds could be allowed.

All measures of de-financialization suggested here lead to an obvious conclusion: A world without Wall Street, to borrow the title of the book by François Morin, is possible and desirable.

In a world without Wall Street, the economy is still largely controlled by the 'market.' But these markets are for the first time truly transparent, regulated by democratic negotiation among genuine social partners (for the first time also they are no longer adversaries as they are necessarily under capitalism). It is the financial 'market' – opaque by nature and subjected to the requirements of management for the benefit of the monopolies – that is abolished. We could even explore whether it would be useful or not to shut down the stock exchanges, given that the rights to property, both in its private as well as social form, would be conducted 'differently.' We could even consider whether the stock exchange could be re-established to this new end. The symbol in any case—'a world without Wall Street'—nevertheless retains its power.

De-financialization certainly does not mean the abolition of macroeconomic policy and in particular the macro management of credit. On the contrary it restores its efficiency by freeing it from its subjugation to the strategies of rent-seeking monopolies. The restoration of the powers of national central banks, no longer 'independent' but dependent on both the state and markets regulated by the democratic negotiation of social partners, gives the formulation of macro

credit policy its effectiveness in the service of socialized management of the economy.

At the International Level: Delinking

Amin uses here the term ‘delinking’ that I proposed half a century ago, a term that contemporary discourse appears to have substituted with the synonym ‘de-globalization.’ I have never conceptualized delinking as an autarkic retreat, but rather as a strategic reversal in the face of both internal and external forces in response to the unavoidable requirements of self-determined development. Delinking promotes the reconstruction of a globalization based on negotiation, rather than submission to the exclusive interests of the imperialist monopolies. It also makes possible the reduction of international inequalities.

Delinking is necessary because the measures advocated in the two previous sections can never really be implemented at the global scale, or even at a regional level (e.g. Europe). They can only be initiated in the context of states / nations with advanced radical social and political struggles, committed to a process of socialization of the management of their economy.

Imperialism, in the form that it took until just after the Second World War, had created the contrast between industrialised imperialist centers and dominated peripheries where industry was prohibited. The victories of national liberation movements began the process of the industrialization of the peripheries, through the implementation of delinking policies required for the option of self-reliant development. Associated with social reforms that were at times radical, these delinkings created the conditions for the eventual ‘emergence’ of those countries that had gone furthest in this direction – China leading the pack, of course.

But the imperialism of the current era, the imperialism of the Triad, forced to retreat and ‘adjust’ itself to the conditions of this new era, rebuilt itself on new foundations, based on ‘advantage’ by which it sought to hold on to the privilege of exclusivity that I have classified in five categories. The control of:

- technology
- access to natural resources of the planet
- global integration of the monetary and financial system
- systems of communication and information
- weapons of mass destruction.

The main form of delinking today is thus defined precisely by the challenge to these five privileges of contemporary imperialism. Emerging countries are engaged in delinking from these five privileges, with varying degrees of control and self-determination, of course. While earlier success over the past two decades in delinking enabled them to accelerate their development, in particular

through industrial development within the globalized 'liberal' system using 'capitalist' means, this success has fueled delusions about the possibility of continuing on this path, that is to say, emerging as new 'equal capitalist partners.' The attempt to 'co-opt' the most prestigious of these countries with the creation of the G20 has encouraged these illusions.

But with the current ongoing implosion of the imperialist system (called 'globalization'), these illusions are likely to dissipate. The conflict between the imperialist powers of the triad and emerging countries is already visible, and is expected to worsen. If they want to move forward, the societies of emerging countries will be forced to turn more toward self-reliant modes of development through national plans and by strengthening South-South cooperation. Audacity, under such circumstances, involves engaging vigorously and coherently toward this end, bringing together the required measures of delinking with the desired advances in social progress.

The goal of this radicalization is threefold: the democratization of society; the consequent social progress achieved; and the taking of anti-imperialist positions. A commitment to this direction is possible, not only for societies in emerging countries, but also in the 'abandoned' or the 'written-off' of the global South. These countries had been effectively recolonized through the structural adjustment programs of the 1980s. Their peoples are now in open revolt, whether they have already scored victories (South America) or not (in the Arab world).

The delinking of the South prepares the way for the deconstruction of the imperialist system itself. This is particularly apparent in areas affected by the management of the global monetary and financial system, since it is the result of the hegemony of the dollar. But beware: it is an illusion to expect to substitute for this system 'another world monetary and financial system' that is better balanced and favorable to the development of the peripheries. As always, the search of a 'consensus' over international reconstruction from above is mere wishful thinking akin to waiting for a miracle. What is on the agenda now is the deconstruction of the existing system—its implosion—and reconstruction of national alternative systems (for countries or continents or regions), as some projects in South America have already begun. Audacity here is to have the courage to move forward with the strongest determination possible, without too much worry about the reaction of imperialism.

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Marxism, Anarchism and the Global Justice Movement

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The most significant contemporary progressive social movement in the United States, particularly among young people, is the global justice movement. For the most part this movement is indifferent, hostile to and not knowledgeable about Marxism and socialism. In so far as there is a dominant ideology among the more radical parts of this movement, it is anarchism. However, the trajectory of the global justice movement has been towards an increasingly anti-capitalist ideology with a growing class analysis, although primarily of working class oppression in the third world.

If this movement expands its understanding of global justice to include economic and social justice inside the United States, it has the potential of becoming a mass and inclusive movement for a socialist transformation of the United States. Moreover, Marxism will be isolated from popular struggles if it makes one sided criticisms of anarchism and groups who call themselves anti-authoritarian. Marxism, the socialist tradition and the global justice movement have much to offer each other. My comments refer to the global justice movement in the United States but I believe they have some relevance for many other countries.

The Global Justice Movement did not reach national prominence in the United States and become part of popular consciousness until the “Battle of Seattle” against the WTO meetings in 1999. After the large protests against the IMF and World Bank meetings in Washington, D.C. in spring 2000, a young participant said to me that for the first time since the anti-Vietnam war movement, young people have a movement of their own, that they lead, identify with and participate in.

The global justice movement, more than many of the international solidarity and anti-war movements in the United States, has made economic oppression and exploitation central to its praxis. However, only a small minority within it identifies as Marxist or even is familiar with Marxism although a much larger number are explicitly anti-capitalist.

There is unity among activists in the global justice movement against neoliberalism but there is also a divide in ideology, program, forms of organization and tactics. This movement can be divided into two broad tendencies. The first tendency, which includes most of the more established and well funded organizations and individuals, is reformist. Their objective is to reform the international financial institutions and treaties such as the WTO, IMF and World Bank to achieve transparency and public accountability of these institutions, to further environmental and labor rights and standards, to regulate the international flows of capital, and to further representative democracy and sovereignty. . These groups and many of the labor unions, human rights and church groups working with them are anti-corporate but not anti-capitalist. These organizations lobby for legislative changes and organizing large rallies and demonstrations where they work closely with police and city officials.

For the rest of this paper, I will, focus on the more radical and predominantly younger in age wing of the global justice movement. Among the more active and militant participants, the most common ideology is anarchism. This connects with a strong concern and belief by many groups and individuals on community, small scale production for local markets, an environmental sensibility, valuing decentralization, and a hostility to large and bureaucratic institutions as much for their size and power as for what they actually do. Demands have usually called for abolishing the international financial institutions, canceling third world debt, organizing against sweatshops and for fair trade. There has been an emphasis on building alternatives. These include zines which are self-produced magazines written from an anarchist perspective, IndyMedia, which is developing independent media centers in several cities, developing cooperative forms of production and living arrangements, and building an alternative culture. Protest tactics have usually focused on non-violent direct action, where protesters have tried, usually unsuccessfully to shut down major institutions that support and further global capitalism. Protesters are often organized into autonomous affinity groups which coordinate and make decisions through consensus.

Why Anarchism?

Anarchism is often seen as something new and not tainted with the supposed failures of the social movements of the 1960's and 1970's and the Soviet bloc. Although anarchism was influential in the early 20th century, few radicals in the 1930's and 1960's called themselves anarchists. For the most part the current self-identification as anarchist follows an already loosely defined set of beliefs and actions rather than activists first identifying as anarchists and then determining their principles and actions from their political philosophy. There

is a strong and fundamental criticism of authoritarian and hierarchical structures. This is one of the major criticisms of the international financial institutions, the multinational corporations and the U.S. government. State power is seen as the primary source of oppression. Fundamental to this world view is a strong anti-state and anti-bureaucratic stance. This part of the global justice movement favors small scale production, often organized in cooperatives, and believes that power should reside in small communities both in the present and future. There is limited criticism and often support for small business, particularly when using local inputs and producing for local markets. In discussion of alternative economic organization of society, the emphasis is often on barter and voluntary exchange. Similar to much of Marxism, there is hostility to developing models of desirable economic alternatives, claiming that this is social engineering.

Unlike Marxism, there is usually little or no separation between means and ends. One's lifestyle is seen as a defining aspect of social change. So is constructing alternatives. For most but not all groups, there is a commitment to non-violence not only as a tactic but also as a guiding philosophy. Within this part of the global justice movement, some participants support the Green Party, although most do not see the electoral system as an avenue for achieving global justice.

For the most part, there is little knowledge of or interest in Marxism. Marxism is identified with the failure of the Soviet model and with support for large scale centralized industries and governments, with bureaucracies, with a lack of individual freedom, with a focus only on the working class and a neglect of the social relations of race, gender and sexual orientation. Given the growth of identity politics in the last 25 years and a labor movement on the defensive and declining and whose praxis is primarily business unionist, a Marxist analysis and socialist practice whose emphasis is on the working class, is seen as an anachronism, as relevant for the 1930's but not for 2004.

Another factor is that most of the global justice activists in this wing of the movement are also college students or ex-students. In recent years, most of the non mainstream faculty they have studied with have been post-modernists and usually anti or non Marxist. Perhaps most important, the alienation and rebelliousness of many of the young people attracted to anarchism, including the significant minority who have not gone to college, find affinity with anarchism because of its emphasis on the individual and individual and small group action. The socialist focus on mass movements and collective action does not fit in with their experience.

Strengths and weaknesses of the Global Justice Movement

The global justice movement in the U.S. has made global inequality and its causes a public issue. It has increased public awareness of the exploitation of workers in the third world by multinational corporations and fostered solidarity across borders, e.g., in the antisweatshop movement. As part of a global movement, it has put the WTO, the IMF and World Bank, NAFTA and the FTAA on the defensive. This movement has furthered understanding of the dynamics of capitalism and of capitalism as a global and oppressive system that is unsustainable environmentally. It has shown a lot of creativity in its actions, e.g., the use of puppets, and courage and commitment by its members. Its theory and practice of radical democracy in decision-making and as a goal is very important.

The global justice movement I have been examining is primarily white and workers are underrepresented. A primary cause of this is the conceptualization of neoliberalism as primarily policies that occur in the third world not at home; the inability to connect theoretically and strategically oppression and exploitation of working people, particularly Blacks and Latinos, inside the United States to oppression outside its borders. These connections are absolutely necessary if this movement is to become inclusive along lines of class and “race”, if it is to have a sufficient base and power to change the United States in a progressive direction internally and externally. Because of its conceptualization of globalization and also its related strategy of direct nonviolent action organized at a national or international location where key international financial institutions are meeting, the global justice movement has not been able to build an effective national structure, or ongoing organizations rooted in local communities, or a strategy beyond mobilizing for the next protest. Public consciousness against global capitalism has grown since the protests in Seattle but the numbers of people protesting have declined. The unquestioned belief in consensus as the only way to make decisions, and the distrust of leadership, no matter how accountable has also limited participation and organizational growth and longevity.

Protests and events such as the World Social Forum which have brought together global justice activists from many nations where socialist and Marx analysis is more common have furthered interest in anti-capitalism, Marxism and socialism. A Marxism and a socialist perspective that is not class reductionist and economic, that emphasizes environmental sustainability, that examines and challenges all forms of oppression, and supports a substantive democracy as means and end will get a serious hearing in the current global justice movement and beyond. Bridging this divide between anarchists and Marxists will increase the possibility of a global justice movement that incorporates the

needs of working class people and people of color in the United States, that becomes more inclusive in its constituency and membership, and that understands and challenges state power. It has the potential of crossing age lines and developing an ongoing infrastructure and base. It would be more effective in its solidarity with the people of Cuba and around the world challenging neoliberalism, imperialism and global capitalism. This synthesis will make possible the growth and development of a significant force for a democratic and participatory alternative to capitalism. It is a necessary development for the people of the United States and globally to overcome exploitation, inequality within and between countries, war, the destruction of the environment, repression and furthering a world based on the dignity and needs of all people.

Thank you!

“THIS BOOK IS ON A SUBJECT THAT TOUCHES UPON THE DAILY LIFE OF EVERYBODY IN THE GLOBAL WORLD, AND IT IS BASED UPON PROFOUND RESEARCH AND WIDE READING IN THE FIELD. IT PROVIDES US WITH A VIEW ON NEOLIBERALISM THAT IS QUITE DIFFERENT FROM WHAT WE NORMALLY READ IN THE ‘CONVENTIONAL’ LITERATURE. ITS READING IS A MUST FOR ACADEMICS, POLICY-MAKERS AND JOURNALISTS”

DR PIET KONINGS, African Studies Centre Leiden

Today's neoliberal imperialism crushes all unfavourable conditions through multiple forms of oppression to ensure the creation of a world in its own image. The systemic and structural oppression birthed by neoliberal imperialism, once again, reproduces and implements colonialism-armed robbery on a global scale. The difference between the old form and the new form is the scale of destruction and the overt use of Weapons of Mass Destruction. Hence the militarization of the globe is a natural outcome. In this book, Professor Tatah Mentan argues that United Fruit Company, for instance, could not have flourished without the strong support of the Marines, the U.S State Department and all of its resources. In fact, the French, the German, the British and the Belgian financiers could not have been able to suck the blood out of their colonies without their legionnaires, soldiers, mercenaries, preachers, merchants and generals. Specifically, the Western colonial empires in the nineteenth century presented their penetration, pillage, and rape of Africa, Asia, and Latin America as modernization and tutelage, aided by the ideology of “survival of the fittest.” This conceit pervaded the entire Western bourgeois social science, educational and religious institutions. And today, there is the same clear symbiotic relationship between business and the military. Empirical realities demonstrate that companies like Microsoft could not enjoy its overwhelming prosperity without having the strong military that America has. This is precisely why neoliberal imperialism operates alongside oppressive militarism, war and dictatorship and must be disrupted to liberate mankind from its death-grip.

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